AUSTRALIA IN THE WAR OF 1939-1945

SERIES FOUR
CIVIL

VOLUME I
THE GOVERNMENT AND THE PEOPLE
1939-1941

AUSTRALIA IN THE WAR OF 1939-1945

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THE GOVERNMENT AND THE PEOPLE

1939-1941

by

PAUL HASLUCK

CANBERRA
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PREFACE

THE political and social history of Australia during the war of 1939-45 is being presented in two volumes of which this is the first. It carries the story to December 1941, when Japan entered the war.

The work was originally planned as one volume, but in May 1950, when a substantial part of the manuscript was in the hands of the General Editor, it was decided to divide it into two volumes. The portion of the manuscript contained in the present volume had been completed, except for final revision, and accepted by the General Editor in August 1949.

The two volumes of the political and social history are part of a series of volumes and, although they have been planned to give a self-contained narrative of the main political and social events in Australia during the war of 1939-45, they should be read with the knowledge that other volumes deal with military, naval and air operations and in particular that the "home front" series of volumes includes two on economic and one on scientific and technological developments.

Another strict limitation was set by the writer himself. At many points the history of political events in Australia during the war merges into the history of world events during the same period. It was considered to be beyond the scope of this volume and the sources available to the writer to attempt to deal even broadly with such matters and, therefore, detailed research was concentrated on purely Australian material and the narrative was written, with conscious narrowness, as a history of Australian participation in those events. The book may be a contribution to the more comprehensive study of the course of war and diplomacy between 1939 and 1945 but is not to be read itself as having attempted such a study.

A third limitation was set by the dates 1939 and 1945. The work was designed, like a landscape by Cezanne, so that the lines might be drawn in from outside the frame of the picture and, consequently, so that they might lead the thought of the reader beyond the frame. But with the exception of an early chapter dealing with the development of Australian ideas on foreign policy and defence between the two wars—a field immediately important to the study of the political events of the war and one on which little work has been published by Australian historians—this book has still to be fitted into the more extensive panorama of Australian history.

Some difficulty faces the writer of political history in defining "politics". For present purposes it was understood to cover those matters which found their eventual significance in decisions made in the Australian Cabinet, the Australian parliaments and the Australian electorate. Such events were also looked at deliberately from a contemporary standpoint (so far as that could be regained after a lapse of five or more years) and the decisions, and the circumstances in which they were taken, were studied with an eye and ear open chiefly to such questions as when, why and how the decision was made and what information and persuasions in-

fluenced the decision at the time it was taken. A conscious attempt was made to tell the story of what happened in Cabinet, Parliament, government offices and the polling booth, as that story was seen during the war and not as it may have been interpreted since the war.

This volume is described as the "political and social" volume. The term "social" has been interpreted as subsidiary to "political" and as referring to those changes in the life and habit of the people and those effects of the war on society which are superficially apparent and which go side by side with an account of the political circumstances of the time. It was certainly beyond the capacity and training of the writer to deal with the social effects of the war in any deeper or more technical sense and indeed no material was available by which social change could be measured or recorded with any scientific exactness. Moreover, for an unskilled hand to attempt an account in detail of the diverse questions of physical environment and change in social attitudes to which the student of society now brings his diverse skills would have been to expand and distort the present history into shapelessness.

One other difficulty in composition might also be set down by way of explanation. It was considered that in a work of this kind there was an obligation on the part of an historian who was given access to material which may not be open to other writers for some years to come or which, the number of workers in Australian history being few, might not be worked over again for several decades, to give as fully as possible and in the form of quotation extracts from statements or communications. In a measure these volumes will have to serve for a time as a source book as well as a history. Therefore the liveliness of the narrative was often sacrificed to completeness and, in some instances too, proportion has suffered.

Some of those Australians who read these volumes may be personally disappointed at the meagreness of personal references and the absence of a full record of their own names and their own achievements on the home front. The omissions are the result of a decision taken after careful consideration. In political and administrative life it is almost impossible to say with certainty who did this and that. In the business of government today so many minds and hands are engaged, and there are so many stages in preparing for and carrying out a political decision that only the person who, in the final event, accepts and bears political or administrative responsibility for the decision can be rightly given as the person with whose name the decision is to be associated. Furthermore, an element of discretion and a desire to be fair entered into the consideration of this aspect of the work. Most of the persons associated with the events covered in these volumes are still actively engaged in politics or administration and their personal reputation is their daily stock-in-trade. Their lives and their work are still incomplete. Such of them who ultimately prove to be worth the trouble will be assessed by history. The part they played in the events of the war can be recorded so far as it was singular and outstanding but for the time being matters of personal reputation can rest.

As this is an "official" history the question will be asked whether its composition was influenced by official direction and whether the finished manuscript was subject to official scrutiny or to any form of censorship. The answer to both questions is "No". The writer was given unrestricted access to official records from the War Cabinet papers and "top secret" cablegrams down to the routine departmental files and the only occasions on which he failed to obtain any paper for which he asked were those on which, owing to the extremely disorderly state of some departmental records, the required document could not be found. That situation arose in only two departments, one of which had undergone two changes in premises. It is highly probable that from time to time additional and important material bearing on the subject matter of this volume may be located. There was a wartime habit of keeping some documents, which were to have a restricted circulation, on personal files, and some of these personal files may not have been returned to records in departmental custody. Furthermore, the state of the records in many departments was such that, unless an exact description of the wanted papers could be given, they could not be produced. Thus in some cases the writer may have missed important documents simply because he did not know beforehand that they existed. The work of the newly-established Archives Division in the National Library, and of the Australian War Memorial should in the course of time help to remove this second disability of the research worker.

No direction was at any time given to the writer as to what he should put in or leave out, nor was he required to submit the manuscript to anyone except the General Editor of the Official History, Mr G. M. Long. The only restraints were those which both the General Editor and the writer imposed on themselves by their own sense of what was fitting. In the case of the writer this resulted chiefly in restraint in expressing his personal judgments on political events and charity towards the actors.

The writer gratefully acknowledges the very considerable help he received from the General Editor in the facilities made available to him, in personal discussion of various problems as they arose and in constant counsel and encouragement. The services of the War History staff are also acknowledged and, in particular, those of Miss Nancy Penman, B.A., who, from 1945 to 1950 was mainly engaged on the locating and assembling of material for the political and social volumes and in making particular inquiries at the request of the writer, and of Miss Joyce Fisher, who helped considerably in the final revision of the manuscript. At different times Mrs Helen Huelin and Miss P. Eccles, both of Perth, served as personal secretarial assistants to the writer.

As an act of friendship, various gentlemen who had special knowledge of the matters being discussed read the whole or part of the manuscript and commented on it. Although they bear no responsibility for the final work, their suggestions helped to remove errors and, in some cases, to modify conclusions. For their help in this way acknowledgment is made to the Right Honorable E. J. Holloway, the Honorable A. G. Cameron, Dr Roland Wilson, Dr P. W. E. Curtin and Professor L. F. Crisp, who

read the whole of the manuscript, and to Sir Frederick Shedden, Sir Frederic Eggleston, Dr Lloyd Ross, Mr C. R. Badger, Mr T. W. Swan, and the late Major P. E. Coleman, who read and commented on parts of it. A number of those prominently associated with the events described assisted the writer by their private discussion of particular events.

Part of the research for this volume was carried out while the writer was filling an appointment as Research Reader in History in the University of Western Australia and appreciation is expressed to the Senate of that university and to the Vice-Chancellor, Dr G. A. Currie, for the facilities afforded at that time.

It is impossible to thank individually all those departmental officers and former public servants who on different occasions facilitated research. Special reference is due to the officers of the Defence Department who over long periods made research work among the records at Victoria Barracks, Melbourne, physically congenial as well as historically useful.

P.H.

Claremont, W.A.
January 1951.

CHRONOLOGY

1930	22 April	London Naval Treaty
1931		Japan invades North China
1933		Japan resigns from League of Nations
		Germany resigns from League of Nations
1934		Japan denounces Washington Naval Treaty of 1922 and refuses to renew London Naval Treaty of 1930
1935	18 June	Anglo-German Agreement
		Italians invade Abyssinia
1936	25 Mar	London Treaty for Limitation of Naval Armaments
1938	29 Sept	Munich Agreement signed between United Kingdom, Germany, France and Italy
1939	15 Mar	German troops cross Czechoslovakian frontier
	23 Aug	Soviet-German Non-Aggression Pact
	1 Sept	Germans invade Poland
	3 Sept	9.15 p.m. Prime Minister (R. G. Menzies) broadcasts that Australia is at war
	30 Nov	Finland invaded by Russians
1940	10 Jan	First convoy of 2nd A.I.F. (6th Division) sails for Middle East
	12 Mar	Russo-Finnish peace signed in Moscow
	9 April	Germans invade Denmark and Norway
	10 May	Germans invade Holland, Belgium and Luxembourg
	10 May	Resignation of Mr Chamberlain, Coalition Government with Mr Churchill as Prime Minister
	15 May	Dutch Army capitulates
	28 May	Evacuation at Dunkirk begins
	10 June	Italy declares war
	16 June	Second A.I.F. (portion of 6th Division) arrive in England
	17 June	Announcement that France has asked for armistice terms
	19 June	*Niagara* (13,415 tons) mined when four hours out of Auckland, N.Z.
	3 July	British attack French capital ships at Oran and Mers-el-Kebir
	10 July	Battle of Britain begins
	19 July	H.M.A.S. *Sydney* sinks Italian cruiser *Bartolomeo Colleoni* in Mediterranean
	16 Aug	French *Notou* (2,489 tons) sunk by German Armed Merchant Cruiser *Orion* near Noumea
	20 Aug	British *Turakina* (8,706 tons) sunk by *Orion* between Sydney and Wellington
	25-26 Aug	First British bombs on Berlin

	3 Sept	Anglo-American Agreement—sea and air bases in exchange for fifty destroyers
	5 Sept	First draft of Australian E.A.T.S. trainees leaves Sydney for Vancouver (British Columbia)
	7 Sept	Opening of the London Blitz
	13 Sept	Italian army invades Egypt
	22-23 Sept	Japanese troops move into Tonkin province (North Indo-China)
	27 Sept	Tripartite Pact (Germany, Italy and Japan)
	Oct-Nov	German raider *Pinguin* lays mines off south and east coasts of Australia: these sink *Nimbin* (1,052 tons) between Newcastle and Sydney; *Cambridge* (10,846 tons) off Wilson's Promontory, Vic.; *City of Rayville* (5,883 tons—American) off Cape Otway, Vic.
	19 Oct	7th Division sails for Middle East
	28 Oct	Italian army invades Greece
	11-12 Nov	Naval battle of Taranto
	15-17 Nov	Second A.I.F. in United Kingdom leave for Middle East
	27 Nov	Raiders *Orion* and *Komet* sink *Rangitane* (16,712 tons) off east coast of New Zealand
	6-7-8 Dec	Raiders sink five vessels (total 25,900 tons) off Nauru
	27 Dec	Raider *Komet* fires 200 shells into phosphate plant at Nauru
1941	3-5 Jan	6th Division in their first engagement—Bardia captured
	6 Jan	President Roosevelt's Message to Congress: the "Four Freedoms"
	10 Jan	Lend-Lease Bill introduced into American Congress
	21-22 Jan	Tobruk captured
	6 Feb	6th Division captures Benghazi
	18 Feb	8th Division arrives at Singapore
	22-24 Feb	Athens Conference on British aid to Greece; 6th Australian Division arrives during March-April
	11 Mar	Lend-Lease Bill signed by President Roosevelt
	27 Mar	Revolution in Yugoslavia—King Peter takes over
	28 Mar	Battle of Cape Matapan: H.M.A.S. *Vendetta, Perth* and *Stuart* take part
	30-31 Mar	*Scharnhorst* and *Gneisenau* attacked at Brest by R.A.F.
	31 Mar	Enemy counter-offensive in North Africa
	6 April	Germans invade Greece and Yugoslavia
	8-9 April	Coventry, England, heavily bombed and raid repeated 10-11 April
	11 April	Siege of Tobruk (9th Division) begins
	16-17 April	Heavy raid on London, St. Paul's damaged
	22 April	Evacuation of troops from Greece begins
	2 May	Iraqi forces attack Habbaniya cantonment

10-11 May	Rudolf Hess flies from Augsburg to Scotland
20 May	Germans invade Crete
24 May	Battleship *Hood* sunk off Greenland
27 May	*Bismarck* sunk 400 miles west of Brest
30 May	Iraqi revolt collapses
1 June	Forces (including Australian and New Zealand) withdrawn from Crete
8 June	Allied forces (largely Australian) enter Syria
22 June	Germany invades Russia
30 June	H.M.A.S. *Waterhen* sunk by dive bomber on Tobruk shuttle service
12 July	Syrian armistice
24 July	Japanese troops land in South Indo-China
14 Aug	The Atlantic Charter—Mr Attlee broadcasts news of Churchill-Roosevelt meeting
19 Aug	Relief of Australian troops in Tobruk begins
25 Aug	British and Russian troops enter Iran
29 Aug	Hostilities in Iran cease
19 Sept	Germans occupy Kiev
13 Nov	United States Neutrality Act revised
14 Nov	H.M.S. *Ark Royal* sinks off Gibraltar after torpedo attack
18 Nov	Second Western Desert offensive (Eighth Army under General Cunningham)
19 Nov	H.M.A.S. *Sydney* sunk in action against German raider *Kormoran* off coast Western Australia
27 Nov	H.M.A.S. *Parramatta* torpedoed off Tobruk
28 Nov	Russians retake Rostov
30 Nov	Japanese fleet, reported from British North Borneo moving southwards
7-8 Dec	Japanese begin landings in Thailand and Malaya and attack Pearl Harbour

CHAPTER 1

THE CHALLENGE OF SURVIVAL

THE war of 1939-45, like the war of 1914-18, was fought in a world of national states. It presented acutely to Australia the challenge of survival as a nation.

A history of the war years is a history of the response to the challenge at its most intense moment but it cannot be a full account of the way in which the nation had gathered strength for that response, nor can it tell the final outcome of the struggle. History is continuous. The living force of a nation is revealed but is not created in the heroic and dramatic chapters. The way a nation answered the challenge and the cost of its survival will only appear as decade follows decade.

The challenge to Australia had begun to take shape before the war. From the moment when the Australian people first reached towards nationhood, they began to meet the two great practical tests of economic and social responsibility and of national security, and the far more searching test of the strength of those spiritual forces which hold a people together as a nation, giving the nation a reason for its being, an identity and a purpose. A nation organised as a state either accepts economic and social responsibility or its resources pass under the control of another state and the material welfare of its people becomes subject to the decisions made by others. A nation organised as a state is also required by its own claim to separateness and identity to safeguard by its own decisions its political independence and territorial integrity. Neither the economic and social welfare nor the security of a nation can be attained, however, unless the national community has, in truth, unity and purpose and can command loyalty and service from its members.

The concern of this book is with security rather than with economic responsibility but, having regard to both, it would seem that the major significance of the war of 1939-45 to Australia was that it made Australia face up to this double challenge of national survival from which it had turned aside on more than one occasion in the previous quarter century. During six years of war Australia was called on to adjust its ideas about the nature and extent of national resources and the method of employing them. It was forced to look at last on its own place in the world, to measure its own capacity as a nation and to assess its relationships with other nations in the exact terms of waging war. Its people had to come together as one people in one effort. It came to understand in more brutal terms what its claim to nationhood meant and to meet the stark and single issue of survival.

For half a century Australian nationhood had been asserted fervently. It had been expressed not only in the act of federating but also in such symbols as a flag, a navy and a citizen army. Australian autonomy was beyond constitutional doubt, Australian political life was separate from

and, in domestic matters, virtually independent of the political life of any other country. But did this young nation really have its destiny in its own hands? On what foundation did the political independence and territorial integrity of Australia rest? Was there an Australian loyalty binding all Australians?

These tests of nationhood had never before been presented so harshly. Australia had already been through war, but in August 1914 Australia had faced a position vastly different from that which she faced in September 1939. In 1914, although Australian nationalism was fervent, nationhood was still the bold outline of an idea rather than a completed structure, a manifesto rather than a fact. Defence had been one of the reasons for federation but in 1914 Australian capacity to defend herself was due less to any preparations she had made than to the absence of any immediate threat to Australia. That measure of security which she enjoyed by reason of the absence of any overseas threat depended almost wholly on British naval supremacy and the results of British diplomacy in the shape of the Anglo-Japanese Alliance. Twenty-five years later British naval supremacy had ended, neither British nor Australian diplomacy had produced lasting alliances that either restrained potential enemies or ensured the aid of powerful friends, and there were visible dangers on both sides of the world. The disposition of power in the world was different.

During the quarter of a century between the two wars Japan and the United States, both emerging comparatively unscathed from the First World War, grew in strength. The Chinese Republic was founded, and the vast Russian empire stretching from Leningrad to Vladivostock was unified and vitalised. It became commonplace in Australia to say that the centre of gravity was shifting from Europe to the Pacific, but perhaps it might have been truer to say that power relationships had become global instead of being focused on any one continent or region. Yet, side by side with this development, the interest of Australia which, as she was part of the British Empire, had previously been global became more and more narrowly regional. She had long given first attention to the Pacific but the increasing importance of the Pacific promoted a tendency in many quarters in Australia to give it sole attention.

This was characteristic of what was happening in the British Empire generally. Britain, linked with France in the diplomacy of security both inside and outside the League of Nations, was becoming more conscious of Europe than of the world and eventually the rising threat of Hitlerite Germany made her conscious of little else. The Victorian imperialists, who were interested in the world because they were interested in an Empire on which the sun never set, had given place to an England deeply engrossed in its own social and industrial reconstruction and its own strategic problem in an air age. Canada was becoming more and more conscious of her congenial position in North America under the shadow of the eagle's wing. Moreover, regionalism within the British Empire was matched by a regional outlook in world affairs, for, when the early hopes of a world system of security became dim, French and British statesmen turned, in the

stress of the times, to work for security in one region—Europe—rather than to hope for security in all regions or peace throughout the world.

During the twenty-five years between the two wars power emerged again as the dominant factor in the relations between nations, but this state of affairs was not openly acknowledged. In the course of the post-war diplomacy inaugurated by the Washington Treaties of 1921 the compact empires of America, Russia and Japan, anchored to continents, solidified their power, while the British Empire yielding the supremacy at sea which knit her Dominions together, and alone among the great powers in continuous adherence to the League of Nations, became less and less careful about the cohesion of her parts. In Australia, as in other Dominions, unaccustomed to world affairs, power was perhaps the least considered of all elements in international relationships. Self-determination, self-government and status were the conceptions with which the minds of thoughtful men played. Most Australians saw more clearly their rights as a nation than they saw any deficiency in their power as a nation.

Growth and change which had commenced inside the British Empire before 1914 became visible beyond the circle of the family. The Dominions had been recognised at the Peace Conference and at subsequent conferences. They had been admitted as members of the League of Nations. Their treaty-making power and right of separate representation to foreign governments had been demonstrated. Their autonomy and equality had been declared to the world. Even the possibility of the neutrality of any one of them in case of war involving the others had been earnestly and learnedly debated. The idea that it was possible to separate the Empire's interests into compartments had been fostered in North America and by the Locarno Pact, and had some attraction for active-minded Australians who saw a mission for their country in the Pacific. Although most of the changes on the constitutional side had been influenced by forces operating in Canada, South Africa and the Irish Free State, Australia had been gathered up into a movement which tended to throw the emphasis on the separateness and the autonomy of the various parts of the Empire rather than on their unity.

To what extent could these autonomous members of the British Commonwealth now rely on each other? Had they a right to expect anything beyond their agreed commitments to each other? Where was the final safeguard of their survival? They had claimed all the rights of autonomous nations and, even if they had not always exercised those rights, the consequences of autonomy could not be avoided or transferred.

Besides the shifts of power in the world and the constitutional developments within the British Commonwealth, there had been changes within Australia itself. The growth of population, growth of industry and growth of trade can be read in any Year Book. A population of under five millions in 1914 had grown to a population of seven millions in 1939. The volume of farming output had increased by more than half. The net value of manufacturing production had more than trebled. Internal transport was being extended with the automobile and aeroplane.

Less readily measurable were the changes in Australians themselves but these changes were perhaps of even greater significance than the industrial growth. Australian nationalism had become more complex than the eager aspiration of 1914. Between 1914 and 1939 the people of Australia went through two experiences that stirred them profoundly. One was the war of 1914-18 itself and the other was the depression of 1929-35.

Australia emerged from the war of 1914-18 with a great pride. Anzac Day, the anniversary of the baptism of fire of Australian troops on Gallipoli on 25th April 1915, was observed more solemnly and emotionally in Australia than even the Christian festivals. It became a day when the fallen of both wars were remembered and patriots fortified by a noble tradition. No national event had been so widely and visibly commemorated throughout the land as the war of 1914-18 and there was scarcely a child who had not grown up in sight of a war memorial or honour board in town, or school or church.

During the war of 1914-18 young nationalism was reinforced with the pride of accomplishment. When the war was over a country which had sent more than 300,000 men to fight—every one of them a volunteer —a nation which had given 60,000 lives and much treasure to the winning of great campaigns, a nation whose young men had shown a courage and a fighting spirit matching the brightest deeds of military history, stood proudly in its own right to share in victory. From 1919 onwards pride and confidence became a marked characteristic of Australian nationalism.

Pride and confidence, however, had their positive effects at home. The gratification of Australians at having won a recognised place among the nations had its most marked consequence, not in increased activity abroad, but in greater resolution in approaching the tasks of internal development. Australia felt like the young giant ready to tackle great national undertakings. The expansion of the Australian iron and steel industry; major constructional works on harbours, bridges, dams and roads; a spreading network of civil air routes, starting with the venture of two returned soldier brothers named Brearley who pioneered a thousand-mile route up the Western Australian coast in 1922, and the commencement of a national capital at Canberra were among the various manifestations of national energy and ambition in the post-war years. Large-scale projects for land settlement, migration, and development of resources were the daily affairs of politics in the nineteen-twenties. "Vast potentialities", "opening up the continent" and "the land of opportunity" were current phrases.

But while the new-found pride and confidence fortified the nation for great undertakings at home, they had few positive effects in international affairs. It is true that Australian constitutionalists joined in those agreeable discussions on Dominion status that were one of the chief points of intellectual contact among learned circles throughout the Empire for twenty years, and students gained a new zest in international affairs to find Australia's name in the record, but the political leaders of all parties hung back from too close an exploration of what this new status might

mean in the practice of international affairs. It was sufficient that Australia could borrow and spend, manage her own estate, pass her own laws and raise the tariff. Let international practice shape itself from one particular case to another particular case. They would assert Australian status if that would advance Australian interests, as they saw them, in any particular international situation and they would not worry too much about status and rights and probably would not even think about them if they did not help the Australian cause. Labour, the political party which was strongest on autonomy, made autonomy mean in practice a right to avoid international affairs.

Perhaps Australia had entered the family of nations too easily, sponsored by a great power, and had never had occasion to meditate on the precarious existence of a small nation in a world of power. She had entered international life as a member of a League which, in the act of its foundation, had increased the number of small states and whose Covenant exalted the principles of self-determination and equal sovereignty, and she had never known anything of international affairs less kindly than the fussing of a motherland or the arguments at Geneva. She was able to take her place in the world for granted and to feel in her young pride that she was just as good as and maybe better than the next nation.

As pride and confidence flourished they produced some notions which, after they had withered away from the original stem of truth, cluttered up Australian minds. The original pride in the fighting quality of the Australian soldier sometimes ended in the notion that all that was necessary was to put a gun in the hand of this born fighter and he could at once defend himself and his country against hordes of lesser peoples. The original recognition of the substantial Australian contribution to victory sometimes degenerated into the notion that Australia had saved Britain when Britain was unable to save herself, that Britain ought to be grateful to Australia, but that Australia ought to be careful that she was not simply made a tool to do other people's work for them. The original deep stirring of patriotism and the solemn commemoration of the past sometimes led to a habit of relying on the old phrase and the old aspiration instead of facing the new realities of a changing world, or searching deeper into the qualities of Australian nationhood. There was a greater encouragement of rhetoric than of responsibility.

Then, after the optimistic decade, pride and confidence were suddenly twisted by a new experience. The buoyant patriotism resulting from the war of 1914-18 was dragged down by the economic depression of the nineteen-thirties. Probably no more potent influence than the economic depression has shaped and directed Australian political thought and attitudes. Old ideas of personal security, of class relationships, of investment, development, resources and potentialities, of obligations between creditor and debtor, and of the "just reward" were upset. It left a heritage of distrust, bitterness and resentment—perhaps, too, a feeling of loneliness. A land of "vast potentialities" had suffered a net loss by migration. A land of opportunity had experienced an unemployment rate higher than ever

before and had seen nearly a third of its workers out of a job. The land of "great developments" had seen export prices fall to less than a third of their pre-depression level. In geography, administration, literature and official propaganda one can distinguish the nineteen-twenties as a period of the abolition of the desert, and the nineteen-thirties as the period of consciousness of the deserts of Australia. "Vast potentialities" gave way to the "myth of open spaces". The ideal of "mateship" was dimmed in the new meaning being given to the "class struggle".

The depression confused Australian nationalism. In one situation the Australian, faced with a huge interest bill, saw the overseas investor, usually a British investor, as unfriendly to Australia. In another situation the Australian, unable to market his surplus products, saw himself as the dependant of the outside world. In one mood the Australian felt the need of friends; in another he felt disposed to turn in on himself and trust to nothing but his own efforts. The blow given to national confidence led at times to resentment and at times to self-reliance. In pioneering days Australians had faced the hostile environment of the continent and now in a period of expansion they had to face the hostility of the world. Both situations called forth the initiative, resource, inventiveness and that readiness to "give it a go" that are characteristic of the Australian. In both there was a greater concentration on the job on hand than on its causes or its consequences. Both were attended by personal hardship and disappointment which left some bitterness, resentment, and a cynical lack of enthusiasm.

In some measure the depression made Australians appreciate the value of the British connection. Britain had always been an important market for Australian produce. The world conditions which led to the Ottawa Conference of 1932 taught Australians that Britain was also a country with which favourable treatment might be claimed and negotiated, and the trade diversion policy of 1936 was in part a clumsy expression in terms of trade of the view that the countries of the British Commonwealth meant something to each other. Families often tend to come closer together in troubled times. Yet this response to necessity was far from being a move towards Imperial unity in the sense given to the term by Joseph Chamberlain. Common action had been brought about by conferences and by bargaining and by an assertion of separate interests rather than of a common interest. For every voice defending either Ottawa or the trade diversion policy as an Empire policy could be heard a voice objecting to a sacrifice of Australian interests to please Britain. Australian nationalism was not changed, but nationalists became confused and divided concerning the way they could best serve Australia.

Moreover, the experiences of the depression, both in their original effect and in the magnified and distorted effect they had in political controversy, made many Australians critical—or perhaps suspicious would be a more exact word for a state of mind that was seldom the outcome of close analysis—of the system under which they lived and under which they had suffered unemployment. "Capitalism" was blamed for their ills and, in

the blurred imagery of the day, was seen as a great shadow scarcely distinguishable from government. Class consciousness was being assiduously fostered both by those practical politicians or political idealists who saw working-class control of government as a desirable end in itself and those who saw class war as a means to overthrow the existing economic and political system and social order. Class consciousness, when carried to the point of class antagonism, tends to undermine mutual trust, to set the claims of class above the claims of all the people, and thus to weaken the identity of common interests and purposes on which national loyalties are nurtured. Arguments over a social system tend to throw into the discard all other qualities and forces that bind a people in community and to set up an idea that unless society has the approved shape (whatever that shape may be) society is bad and not worth serving. Although there were still large numbers of Australians to whom the "class struggle" meant nothing, the depression had left a considerable heritage of doubt and had provided a constant and effective text for the political preacher. As will be seen, this did affect popular attitudes to the war and the course of wartime politics. Moreover, as demonstrated clearly in post-war events, the war between nation and nation took place in a world in which the theory of socialism was working strongly alongside the dissatisfaction which had been nurtured by personal experience in the depression.

The depression also had its practical effects. It accelerated the move towards financial unification and centralised economic control in the Federation, but when war came it was found it had left some Federal-State rivalry and some sense of injustice among the States. It precipitated the separation of the Labour Party into two main elements so that almost to the outbreak of war the primary problem before Labour was to find unity. The experiences of the depression and the interpretation placed on them by those small farmers and wage earners who had suffered most acutely under them put personal security in the forefront of practical politics for a great number of people and made the electorate rather insensitive to appeals or promises or exhortations concerning anything else. For the administrator and politician, markets, prices and employment were the final and substantial good. The generation which was called upon to take prompt action when war broke out in 1939 was the generation which, in one way or another in the previous decade, had been through the disillusionment of the depression—senior administrators or politicians who had wrestled with its problems, householders whose security had been shaken, employers or wage earners whose calculations had been upset, youths whose careers had been blocked, workmen who distrusted the "boss", whom they saw not as the man who gave them a job but as the man who was able to sack them. During the first period of war until Dunkirk, or perhaps even longer, the memory of the depression was probably as powerful a determinant of Australian conduct as the peril of the war.

A changing and confused nation, engaged on its domestic problems in the midst of a changing and confused world, found itself on the brink

of war. Materially and spiritually it was unprepared for war and its unpreparedness was aggravated by its uncertainties both as regards itself as a nation and as regards its place in the world.

How was such a nation, isolated in the South Seas, to survive?

The military means was to be cooperation and mutual aid between the nations of the British Commonwealth and such allies as might gather to them. Their main enemies were first Germany, then Germany and Italy, and lastly Germany, Italy and Japan. For a brief period the British Commonwealth of Nations had allies in the continent of Europe until German victories almost nullified the aid these allies could give. For a year they were alone until the over-confident attacks of Germany and Japan in turn brought the Soviet Union and the United States of America into the war.

The war was fought on many fronts by land, sea and air. Australians were found in every continent but one, and on every ocean. They fought 12,000 miles from home and engaged the invader on their own territory. They roved from Murmansk to the Antarctic seas, and fought hand to hand with the enemy from Tobruk, where victorious Germany was defied, to Milne Bay, where victorious Japan met her first defeat on land. They were among the fighter pilots in the Battle of Britain in 1940 and five years later were mopping up a retreating enemy in the islands of the south-west Pacific. The products of the Australian soil and factories went to every ally.

Where was the plan behind this widely-dispersed effort? On what principle and by what method were the decisions made that sent Australian men and materials over the globe? What was the nature of the strength that kept the people resolute through disaster and determined until victory? At what cost was the victory gained? What changes did six years of war bring to the nation itself and to the quality of its nationhood? In the shaping of the wartime policy of Australia, in the decisions of the Government concerning the participation of Australia in the war, in the response of the people, there lies the political and social history of the period.

CHAPTER 2

BETWEEN THE TWO WARS, 1918-38

1—THE FOUNDATIONS OF DEFENCE POLICY[1]

THE foundation of defence policy after the war of 1914-18 was laid by the Nationalist Prime Minister, Mr Hughes,[2] after his return from participation in the Peace Conference. Against a background of wartime leadership and coming straight from international discussions which had revealed to him more of the difficulties in the way of peace than the means of ensuring peace, Hughes saw the realities of power perhaps more starkly than any of his peacetime successors saw them. The post-war political settlements in Europe and the Middle East were still incomplete. In the Pacific the shape of another possible conflict of power could be seen. The world today, he said, in a statement on defence in Parliament on 9th September 1920, was obviously not a world in which any prudent nation could allow its war insurance policy to lapse. The League of Nations was hopeful but not sufficient. The wartime Prime Minister also saw with a colder political realism than most Australians then or since that Australia, an isolated Western nation in an Asiatic world, maintained certain policies—the White Australia policy in particular—which affected her neighbours but which Australia considered so vital that she could not submit them to international discussion either in the League of Nations or elsewhere. Australians could not hope to maintain this attitude merely by "pious or blatant declarations of their intentions", said Hughes, but must be ready to defend it with the utmost resources of the nation.

In several speeches, but notably in the statement on 9th September 1920, and a statement of 8th April 1921 on the business of the forthcoming meeting of Prime Ministers, Hughes developed with some detail his views on Australian defence. Australia, he said, must be prepared to defend herself but in so doing she was fortunate in also being able to look to the British Empire. This did not mean only that Australia should look to the British Navy to defend her. Her partnership in the Empire gave her the protection of a navy greater than Australia alone could afford, but it also brought obligations. As a partner Australia must take her share of the task. Beyond the defence of Australia, for which support from the British Empire was essential, there was also the task of defending the Empire itself.

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[1] For an examination of Australian defence policy in its effects on the three armed services, see the opening volumes of the army, navy and air series in this history.

[2] The Nationalist Party had been formed at the beginning of 1917 by a coalition of the Liberals and the National Labour Party. (See E. Scott, *Official History of Australia in the War of 1914-18*, Vol XI, pp. 369-76.)

Rt Hon W. M. Hughes, CH. MLA NSW 1894-1901; MHR 1901-52. Min for Ext Affairs 1904, 1921-23, 1937-39; Att-Gen 1908-9, 1910-13, 1914-21, 1939-40; Prime Minister 1915-23; Min for Health and for Repat 1934-35, 1936-37, i/c Territories 1937-38, for the Navy 1940-41. B. Wales, 25 Sep 1864. Died 28 Oct 1952.

In this regard Hughes seemed to be developing at different times two separate points. One was that Australia should help to defend the Empire because Australia's very existence depended on the stability of the Empire. The other was that the Empire should be defended and its unity maintained for reasons even higher than the safety of Australia. It was worth defending for itself. It was still the most powerful agency for the world's peace, one of the chief "bulwarks of civilisation", and the hope for the future seemed to lie in some understanding between the Empire, the United States of America and France. The unity of the British Empire had to be considered in relation to the conduct of international politics and, in a world where influence still rested on power, the strength of the Empire should be preserved.

There were signs, too, of a third element of loyal affection for the motherland. "Here and here did England help me: how can I help England?" In spite of growing nationalism there were still many Australians whose "home thoughts" were for England and even among those who did not think in that way there was a common attitude, perhaps a little patronising at times, that if the Old Country needed a helping hand her sturdy sons should give it. Part of the Hughes argument was simply that Britain was carrying a great burden; Australia had great resources; therefore Australia should help.

Taking this view of the situation, the Prime Minister hoped for a "real Imperial defence policy" in which Australia could cooperate, being given a "quota" and allotted a "sphere of operations". Thinking both of the defence of Australia and of the Empire, he gave primary importance to the British Navy and added that any scheme of naval defence must necessarily provide for the defence of the Pacific Ocean. As he later made clear to the 1921 Imperial Conference a "quota" did not mean a financial contribution but the maintenance of Dominion navies.

In developing Australian defence plans, proposals were made to reorganise the citizen army, which would be composed of volunteers from the A.I.F. and universal trainees, but the first line of defence was to be the navy. Sea power was essential to the political integrity of sea-girt nations, said Hughes. In view of controversies which developed later, it is interesting to note the view he took of the air force. The air, that new element which man had now conquered, was but the sea in another form and it was on the sea and in the air over the sea that Australia would have to look for her defence. Apparently he saw the naval and air arms performing parallel tasks, keeping the enemy from the coast and protecting the sea routes where they converged on the coast. While the maintenance of a battle fleet was beyond the capacity of five million people, aviation offered "infinite possibilities".

If the Dominions shared in the defence of the Empire they would also have a claim to share in shaping the foreign policy of the Empire, or, as Hughes expressed it on a later occasion, if the Dominions wanted to share in the making of foreign policy they would also have to share in defence. For the time being this point was not developed fully. The Prime Minister

had made it plain elsewhere that he was opposed to anything in the nature of an Imperial Council. The idea of Imperial federation, which had been revived in wartime, was objected to on all sides in Australia. Formal definition of rights was regarded as dangerous. So Hughes would appear to have had in mind a rather loose arrangement for consultation. For the moment he did little more than stress how greatly the safety of Australia depended on the policy and acts of other nations and expressed the view that as naval defence, for Australia, was a Pacific question, therefore Australian foreign policy must concern itself closely with the aims and aspirations of the people surrounding the Pacific.

It was to advocate these views, which had been explained to Parliament beforehand, that Hughes attended the Imperial Conference in London in 1921. After that conference he confessed that Great Britain and the Dominions had not completely solved the problem of ensuring united action in foreign affairs while allowing complete autonomy of the component parts, but believed that they had gone far towards a solution. With improved and more effective communications and more rapid means of transit, he said, they would go still further and the influence of the Dominions in shaping and directing foreign and imperial affairs would grow.

Perhaps the clearest picture of the way that Hughes saw these matters can be obtained from a brief consideration of two of the questions discussed at the 1921 Imperial Conference—Egypt and the Anglo-Japanese Alliance.

In the early part of 1921 preparatory work was proceeding in connection with an Anglo-Egyptian agreement but the Australian Government knew nothing about the matter until it received a "short note" referring to a proposal to adopt a report prepared by Lord Milner. According to the account of the incident given by Hughes, the Commonwealth Government telegraphed for information, "protesting most strongly against anything which would threaten the lines of communication between Britain and Australia". As the reply was considered to be "vague and unsatisfactory" Australia urged that it be discussed at an imperial conference. At the 1921 Conference the Dominion representatives learnt the amazing fact that "neither the Prime Minister nor the Foreign Secretary knew any more than the Dominions of the various steps that had led up to the negotiations". That piece of information did not alter the main Australian complaint that matters had advanced so far that the Dominions were without any practical alternative to acquiescence in what had been done. Hughes said to the conference: "A very serious position had been created which concerns us all . . . the Prime Ministers from the Dominions are asked to give advice in a case where the time is long past when advice could be usefully tendered. We are brought to a case *in articulo mortis* and asked to perform a miracle."[3]

[3] W. M. Hughes, *The Splendid Adventure* (1929) Ch. IX.

The interest of Australia in Egypt was an interest in preserving the communications that held the Empire together and made possible the united action on which the safety of Australia depended. The interest in the Anglo-Japanese Alliance was to promote an imperial diplomacy which would serve the same end of Australian security. As Hughes said, for Australia the Pacific problem was for all practical purposes the problem of Japan and he directed his energy to bring about an understanding with Japan and in particular the renewal of the Anglo-Japanese Alliance. On this particular point he had wide support in the Australian Parliament, for the desire for friendly relations with Japan, who was already recognised as the main potential threat to Australia, was common to all parties, although some members on both sides of the House saw Nippon as a danger and nothing else. At the same time there was also a common hope in the friendly interest of the United States in Australia.

The original Anglo-Japanese Treaty of 1902, when renewed in 1905, had met the threat to world stability presented by the rising power of Germany and it had done this partly by freeing the British fleet in some measure to watch the North Sea and partly by preventing a *rapprochement* between Germany and Japan. The treaty provided that either party should go to the aid of the other in case of unprovoked aggression by a third power. As the pattern of Far Eastern diplomacy took clearer shape any critic who followed up a natural curiosity as to what "third power" was likely to mean in the case of Japan always arrived at the answer that in practical terms it meant either the United States of America or China, with Russia a more remote possibility. As closer Sino-American relations were being sedulously fostered, some of the American critics of the alliance foresaw either the makings of a new division in the Pacific or a success for Japanese diplomacy in ranging the British over against the United States. When, on 13th July 1911, the treaty was renewed for ten years, a proviso was inserted to the effect that should either party conclude a treaty of general arbitration with a third party, nothing in the agreement should entail upon such contracting party an obligation to go to war with the power with whom such a treaty of arbitration was in force. As subsequently the treaty for a peace commission between Great Britain and the United States, of September 1914, was considered to come within the meaning of this proviso, and Japan was formally notified to that effect, it was considered, at least on the British Empire side, that the possibility of British embroilment with the United States over the Anglo-Japanese Alliance had been overcome. The Alliance was a considerable factor during the war of 1914-18 in maintaining peace in the Far East and in protecting Australia, New Zealand and the British possessions in the Pacific. In Australia, despite the traditional fear of Japan and nervousness for the future, Japan was regarded as having honourably observed every letter of the agreement. Now that the war was over, however, the situation was seen differently. The power and interests of the United States in the Pacific were becoming a major factor in world as well as regional stability; the League of Nations Covenant set out agreed principles and arrange-

ments for handling international disputes; the original purpose of the Alliance in providing an answer to German imperialism seemed to have disappeared; in China there was American-Japanese rivalry and a need to protect Chinese interests against Japan. Was the Anglo-Japanese Alliance applicable to the new conditions?

Hughes wanted the renewal of the alliance if possible in a form which would meet the situation and interests of the United States and the obligations under the League Covenant. In the course of the Imperial Conference he put forward the idea of a tripartite treaty between Great Britain, Japan and the United States and suggested that Great Britain should invite the other powers to negotiate to this end. Having regard to the situation in the Far East—a situation of which the complexities and interacting forces were seen much less exactly by Australian political leaders of the day than was the single issue of Australian danger—it is arguable whether or not Hughes was talking practical politics. What destroyed his case, however, was not any weakness in the argument but the fact that the United States was seeking another way to peace and that, during the course of the Imperial Conference, President Harding's invitation to the Washington disarmament talks arrived. The Imperial Conference of 1921, as one of its chief practical tasks, laid down the basis of British Empire policy to be pursued at Washington, including the principle that the British Empire must have a navy at least equal to that of any other power. There was, however, undoubtedly a strong logical point in the Australian Prime Minister's argument, recounted to Parliament at a later date, that it was idle to talk about disarmament until the problems which gave rise to naval armaments had been settled. Indeed, the point was recognised at Washington in the attention given to the more general problems of the Pacific and the Far East in the nine-power talks parallel to the sessions of the five-power Conference on Disarmament, and in the conclusion of the Four Power Pact on Pacific questions, and the Nine Power Pact relating to China.[4]

The point of interest at the moment, however, is not that Australia failed to persuade the powers to call a Pacific conference and failed to bring about the renewal in a suitable form of the Anglo-Japanese Alliance, but rather that she had had an opportunity of bringing these views to bear on the shaping of British foreign policy, that she had actively done so, and that the experience had left a hope that such discussion and consultation for a common foreign policy would grow.

Although disappointed that there was to be no prior Pacific conference, the Australian Government participated readily in the work of the Washington Conference, and shared in the optimism engendered by the results

[4] There has unfortunately been no close historical examination of the Anglo-Japanese Alliance from the Australian point of view. Because of the consultation in the Committee of Imperial Defence which preceded the renewal of the treaty in 1911 and the discussions in the 1921 Imperial Conference, the alliance is one of the earliest examples of Dominion participation in the shaping of British policy and, furthermore the 1921 discussions represent the turning of Far Eastern international relations in a direction that encouraged the growth of rivalry with Japan and led eventually to the two-ocean war. The North American treatment of the alliance, for example, in A. W. Griswold, *The Far Eastern Policy of the United States* (1938) and A. G. Dewey, *The Dominions and Diplomacy—The Canadian Contribution* (1929), are not wholly convincing to an Australian.

of the conference. In moving for the approval of the Washington Treaties in the House of Representatives on 26th July 1922, Hughes declared that they gave, at any rate for ten years, an assurance of peace. In the Senate, Senator Pearce,[5] who had been the Australian delegate at Washington, said that the ratification of the treaties would now enable Australians to devote their energies to a greater extent to the arts of peace and development of their country.

The firmer prospect of peace brought by the Washington Conference led the Government to modify its defence plans. Instead of additional expenditure as had been contemplated, the establishments of the navy and army were reduced and the expansion of the air force postponed. This optimism was short-lived. Europe and the Middle East were still troubled; the efficacy of the League was still doubtful. A year later, on the eve of another Imperial Conference, a new Prime Minister, Mr Bruce,[6] was again telling the House that the most important question facing Australia was to assure her safety and the integrity of her territory. The League did not solve the problem of Australian defence, nor had the Washington Conference solved it.[7]

Bruce's basic policy of defence was the same as that of Hughes, but he laid considerably more stress on the need for better arrangements for consultation among the Dominions over the shaping of the foreign policy of the Empire. He had reason to stress it. It had been thought that the 1921 Conference had established the principle of consultation, but in the second half of 1922, while Hughes was still Prime Minister, Australia suddenly found in the Chanak crisis that policies of which she had no knowledge were bringing the British Empire to the edge of war. For those primarily interested in the constitutional aspects of the question, the importance of the situation created when Lloyd George asked the Dominions if they would supply contingents as a demonstration against Mustapha Kemal might seem to be that the Dominions were able to demonstrate their right to decide on the extent of their participation in a war or warlike preparations. For the political leaders in Australia, however, the question in which they were most keenly interested was one similar to that which they remembered from 1914. The diplomatic activities of Great Britain could bring Australia into war without Australia having had a chance to express a view. In defence of the vital interests of the Empire Australians would be ready to fight, not merely with a contingent but with all the resources at their disposal, but they wanted information. They wanted to

[5] Rt Hon Sir George Pearce, KCVO. Senator 1901-38; Min for Defence 1908-9, 1910-13, 1914-21, 1932-34; Actg Prime Minister 1916; Min for Home and Territories 1921-26, External Affrs and i/c Territories 1934-37. Of Perth, WA, and Melbourne; b. Mount Barker, SA, 14 Jan 1870. Died 24 Jun 1952.

[6] Rt Hon Viscount Bruce, CH, MC. (Lt Worces Regt, 1915; Capt Royal Fus, 1916-17). MHR 1918-29, 1931-33; Treasurer 1921-23; Prime Minister and Min for External Affrs 1923-29. High Commr for Aust in London 1933-45. Of Melbourne; b. Melbourne, 15 Apr 1883.

In the 1922 general elections no party gained a sufficient majority to govern alone and, after a period of negotiation, the Nationalist Party formed a coalition with the Country Party which had entered Federal politics for the first time in the previous Parliament. One of the terms of coalition imposed by the Country Party was the retirement of Hughes from the Ministry. Bruce headed the coalition from February 1923 with the Country Party Leader, Page, as Treasurer and Deputy Prime Minister.

[7] *Commonwealth Debates*, Vol 103, pp. 164-171; Vol 104, pp. 1478-94.

be consulted. Their own objective was limited to the preservation of the Empire and they wanted an opportunity of giving their opinion whether or not the objective was being served.[8]

Bruce laid down his aims:

> We have to try to ensure that there shall be an Empire foreign policy which, if we are to be in any way responsible for it, must be one to which we agree and have assented . . . . If we are to take any responsibility for the Empire's foreign policy, there must be a better system, so that we may be consulted and have a better opportunity to express the views of the people of this country . . . . We cannot blindly submit to any policy which may involve us in war.

During a subsequent debate on the same issue, held on the agenda of the Imperial Conference on 24th July 1923, the Prime Minister set out more clearly that he had in mind an improvement in the machinery and habit of consultation and not any fundamental change in the relationships of British countries. Regular and more frequent imperial conferences would lay down policy on the major questions of the day and these decisions would be departed from by Great Britain only after consultation with the Dominions. Consultation might be assisted by the appointment of resident ministers of the Dominions in London, or the establishment of liaison officers in the British Foreign Office.

These practical suggestions were elaborated more precisely a year later when, during the exchange of views on the abortive proposal of Ramsay MacDonald in June 1924, to call a constitutional conference to consider methods of dealing with insistent matters requiring action during the intervals between imperial conferences, the Australian Government stressed the value of fuller and more regular advice from the British Government to the Dominions in regard to all questions of foreign affairs, and greater efforts to anticipate questions likely to arise and to ascertain the opinion of the Dominions in advance. The accent was on consultation.

In one other respect Bruce also gave precision to what Hughes had said about allotting Australia a quota in a "real imperial defence policy".

> We are driven to the conclusion that if we are to have an adequate defence of this country we must have some naval force and that can only be provided by alliance with some other Power (Bruce said). I suggest that to every serious Australian there is only one natural ally for us, and that is the rest of the British Empire and that any defence we are to have must be inside the Empire. It is for the Imperial Conference to try and evolve an Empire defence scheme that will give reasonable protection to the whole of the Empire without casting an intolerable financial burden upon the different parts . . . . We have to try to maintain unity of the whole and

[8] *Commonwealth Debates*, Vol 102, p. 81, 1 Mar 1923. Hughes, during whose Prime Ministership the incident had occurred, in recounting the affair in later years, said "Britain had kept the Dominions in absolute ignorance and left them to learn through the columns of the press of a situation in which Britain had already committed herself by an ultimatum that admitted for the whole Empire no alternative but war". To him the method followed "appeared to be a dodge to manoeuvre the Dominions into a position from which there was no retreat". Hughes did not raise any doubt about Australian participation in hostilities but only objected to the "embarrassing" and "humiliating" method which ridiculed the Dominions' declaration of equal status. (W. M. Hughes, *The Splendid Adventure* (1929), p. 242). The link between consultation and responsibility is further illustrated in the recognition of the Soviet Union by the United Kingdom in 1924. Bruce stated in Parliament on 19 Aug 1924, that there had not been consultation with Australia. On this occasion no protest was made for the Government did not consider that any complications involving Australia were likely to arise from lack of consultation. The Australian Government apparently gave no attention to the question whether or not the British recognition determined the status of the Soviet Union so far as Australia was concerned.

complete autonomy of the different parts. That is an extremely difficult task, but it is one which cannot be evaded, because Australia's sentiment is certainly such that she demands that she shall have her own defence policy and her own naval unit. Australia today is determined that her defence shall be a purely Australian function, and she certainly would not accept the idea which some people put forward that the time has come when we should have a great central force for the defence of the whole of the British Empire, and that Australia's contribution should be a monetary one. Australia would not accept that for one moment.[9]

At the same time Bruce saw some merit in the suggestion for a Dominion naval unit operating in the Pacific to which all the Dominions should contribute, and linked it with a comparison between a naval expenditure in 1922-23 of 1s 4d per head in Canada, 4s 7d per head in New Zealand and 9s 2d per head in Australia. He also laid it down that a naval base in the Pacific was "a condition precedent to a large fleet being stationed in Australian waters or the Pacific".[1]

Underlying both defence and foreign policy was the question of the relations of the Dominions to the British Empire. In both defence and foreign policy the problem of autonomy and unity had to be faced. Could the Dominions either in law or in fact remain neutral when one part of the British Empire was at war? Could they protect the Empire by protecting each of its separate parts or was the whole as well as the separate parts worth preserving both for its own sake and because the security of each and all depended on keeping unbroken the ties between them, both physical and spiritual—maintaining the sea lanes as well as the loyalty to a common Crown. Under what conditions could each of the parts act autonomously in international relations without imperilling the other parts or the whole? Was it possible to have five or six separate foreign policies and five or six separate defence policies without destroying the Empire?

The Prime Minister put the issues before Parliament in this way before leaving for the Imperial Conference:

> We have to realise that the basis of an Empire foreign policy involves the whole future of the Empire. If we can find such a basis, then I think it is possible for the Empire to grow stronger, and thus avoid many difficulties that must arise if we have not a common policy on which all the constituent parts of the Empire have been consulted and are agreed. If such a basis cannot be found, I believe the failure to find it will eventually lead to the distintegration of the Empire—a result which the Government would regard as most disastrous. This issue has to be faced by honorable members, and it is for them to say whether we shall or shall not have a voice in the foreign policy of the Empire. It is for honorable members to indicate exactly where they stand—whether it is their wish that Australia shall in course of time cease to be one of the component parts of the Empire. That issue at this time cannot be evaded . . . . Then we have to face the question of defence. Do we propose to insure our own safety, and not look to the Empire for help? Or are we going to provide for our own defence within the Empire, believing that the best way to defend our own country is by entering into close relations with the Motherland and the other Dominions.[2]

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[9] *Commonwealth Debates*, Vol 104, p. 1485, 24 Jul 1923.

[1] At that time the base at Singapore was under construction and its completion would have been fully in accordance with the Washington Agreements, but shortly after the Imperial Conference in 1923 a Labour Government in Britain discontinued work on the base. See also p. 35 below.

[2] *Commonwealth Debates*, Vol 104, p. 1493.

The resolutions of the Imperial Conference of 1923 became the basic principles of Australian defence policy and of cooperation with Great Britain for defence for the whole of the inter-war period, even although political caution in times of domestic argument often dictated statements that they had no binding effect on Australia. The resolutions on defence read as follows:

1. The Conference affirms that it is necessary to provide for the adequate defence of the territories and trade of the several countries comprising the British Empire.

2. In this connexion the Conference expressly recognises that it is for the Parliaments of the several parts of the Empire, upon the recommendations of their respective Governments, to decide the nature and extent of any action which should be taken by them.

3. Subject to this provision, the Conference suggests the following as guiding principles:

(a) The primary responsibility of each portion of the Empire represented at the Conference for its own local defence.

(b) Adequate provision for safeguarding the maritime communications of the several parts of the Empire and the routes and waterways along and through which their armed forces and trade pass.

(c) The provision of Naval Bases and facilities for repair and fuel, so as to ensure the mobility of the fleets.

(d) The desirability of the maintenance of a minimum standard of Naval Strength, namely, equality with the Naval Strength of any foreign Power, in accordance with the provisions of the Washington Treaty on Limitation of Armament as approved by Great Britain, all the self-governing Dominions, and India.

(e) The desirability of the development of the Air Forces in the several countries of the Empire upon such lines as will make it possible, by means of the adoption, as far as practicable, of a common system of organization and training and the use of uniform manuals, patterns of arms, equipment, and stores (with the exception of the type of aircraft), for each part of the Empire as it may determine, to cooperate with other parts with the least possible delay and the greatest efficiency.

4. In the application of these principles to the several parts of the Empire concerned the Conference takes note of—

(a) The deep interest of the Commonwealth of Australia, the Dominion of New Zealand, and India, in the provision of a Naval Base at Singapore, as essential for ensuring the mobility necessary to provide for the security of the territories and trade of the Empire in Eastern Waters.

(b) The necessity for the maintenance of safe passage along the great route to the East through the Mediterranean and the Red Sea.

(c) The necessity for the maintenance by Great Britain of a Home Defence Air Force of sufficient strength to give adequate protection against air attack by the strongest air force within striking distance of her shores.

5. The Conference, while deeply concerned for the paramount importance of providing for the safety and integrity of all parts of the Empire, earnestly desires, so far as is consistent with this consideration, the further limitation of armaments, and trusts that no opportunity may be lost to promote this object.

As regards foreign policy, the conference adopted a practice which accorded with Australian views by discussing the main problems which had confronted the Empire during the two previous years and those which seemed most likely to arise in the near future—European reparations, the future of Germany, the situation in the Near and Middle East, Egypt, Japan and the League of Nations—it being expressly stated that the views

and conclusions recorded by the conference were necessarily subject to the action of the governments and parliaments of the various portions of the Empire. The conference also agreed on a resolution recommending, for acceptance by the governments, the procedure for the negotiation, signature and ratification of treaties. This procedure laid an obligation on each government to consider whether the interest of any other part of the Empire might be affected by its negotiation or signature of a treaty and to ensure that it was informed and given an opportunity of expressing its views or participating in the negotiations. Throughout this discussion of Empire foreign policy the stress was laid on consultation.

On his return from the Imperial Conference, Bruce recounted to Parliament the main decisions and expounded the meaning of the guiding principles. In this speech of 27th March 1924,[3] the Prime Minister again stressed some of the practical considerations which would make it impossible for Australia to avoid the obligations of cooperation in Empire defence, so long as Australia remained part of the British Empire. At this period the constitutional argument regarding Dominion neutrality, which developed later, did not appear to have been seriously entertained, and attention was concentrated rather on such facts as that foreign nations regarded Britain and the Dominions as one and indivisible and that it would be impossible for Australia to stand apart and say it was not interested in a British quarrel. Suppose Britain's enemy chose to attack Australia or to attack trade to and from Australia and Britain. Suppose, too, that Australia claimed neutrality. Would Australia, in these circumstances, deny to British shipping and British forces the facilities which it denied to other belligerents and would it accord to Britain's enemies the same rights as it accorded to Britain? Bruce found that such tests proved that Australia would participate, to the extent it thought proper, in any war in which Britain was involved.

The Prime Minister also reasserted all the practical arguments, to which he said the representatives of the Imperial Conference had all agreed, that Empire defence was a task for the Empire as a whole. Traversing the guiding principles agreed upon he directed special attention to the statement on the primary responsibility of every country to provide for its own local defence and explained that this did not mean that any portion of the British Empire must depend entirely upon its own resources for defence. It meant that, in the first place, each particular country must seek to safeguard its interests in the event of aggression but that the Empire as a whole would cooperate in the defence of any threatened part.

In later years there was a tendency to quote this principle of 1923 to mean that Australia had completed its whole duty when it provided for the local defence of Australia, but the sense of the statements made by the Australian Government in 1923 is clearly that, while Australia could expect help from the rest of the Empire in her own peril, so she would

[3] *Commonwealth Debates*, Vol 106, pp. 34-39.

also give help to any other part of the Empire which might find itself in danger.

Bruce also answered those critics who argued that defence was unnecessary because of the existence of the League of Nations. He pointed out that the strength of the League of Nations rested on the British contribution to it. If the power and prestige of the British Empire were reduced, that would deal a death blow to the League. This argument reappeared sporadically in subsequent years in the form of statements that Australia's best contribution to peace was to keep Australia and the British Empire strong, but it can scarcely be said to have gained general acceptance and the sections of Australian opinion which were strongest for collective security through the League of Nations were, generally speaking, in favour of reducing purely national expenditure on defence.

As regards foreign policy, the Prime Minister, reviewing the discussions at the 1923 Conference, emphasised the Australian desire to be consulted on all matters both because Australia might so help to exert an influence for peace and because of the inescapable obligations which might be imposed on Australia by a misguided British foreign policy. The means to peace which he thought might be promoted by greater Australian activity in foreign affairs included the maintaining of a united British Empire, the closest possible relationship between the British nations and the United States of America and support for the League of Nations. Bruce regarded the Imperial Conference, a purely consultative body, as providing a satisfactory method for Dominion participation in foreign affairs, but thought that it might meet more often, that it might organise its own secretariat and that the Dominions might appoint representatives in Britain to watch foreign affairs on their behalf.

The statements by Hughes and Bruce before and after the Imperial Conference of 1923 and the decisions of that conference itself had placed the issues fairly before the nation. The nation's leaders had set out with precision the obligations of nationhood and in subsequent years they reiterated them. For example, when reporting on the resolutions of the 1926 Imperial Conference, Bruce drew a moral from the Balfour Declaration in the following terms:

> Another result which will follow from a clear and absolute definition of the status of the various self-governing dominions is that it will bring to us a greater realisation of our obligations of nationhood . . . . Our first obligation is to play a part, by consultation, in the foreign policy of the British Empire. Our second obligation is to cooperate in the defence of the Empire as a whole. Regarding the first, we have demanded for ourselves the status of full equality with Great Britain and the right of consultation respecting her foreign policy. We found ourselves involved in the Great War because of a foreign policy about which we had never been consulted, and I think we are all determined that we shall never again be so involved by a policy of which we have no notion. For our own protection and in the interest of our people we must recognise that we are part of the Empire, and if Britain were confronted with a great disaster we should be involved. That was recognised at the Imperial Conference when we were discussing our constitutional relations. This House recognises that the measure of cooperation that we are to give to Great Britain in wartime is for this Parliament to determine . . . . As an independent country

with a population of six millions our voice in foreign affairs would count for little, but when nations like Canada, Australia, South Africa and New Zealand all look in one direction and are united with a desire to promote world peace, their right of consultation in the foreign policy of Great Britain must exercise a tremendous influence upon the world.[4]

The views of Bruce and the principles upon which he based his consideration of defence and foreign policy were clear and, except that there was some difference of opinion regarding the methods by which they should be applied and the energy with which a defence policy should be carried out at various times, those principles were accepted by the parties which supported him in the Government and were consistently followed.

2—THE STANDPOINT OF LABOUR

Another body of Australian opinion found its political expression through the Labour Party. During the two decades between the wars, Labour held office only for two years and this fact both limited its capacity to shape national policy and also, to some extent, influenced its attitude, for in Australian politics the Opposition, no matter of what party, has usually interpreted its duty as being primarily to oppose. While the responsibility of Labour may thus be limited, however, it is worth while looking with some care at the variety of opinions which were held within the party for they are an essential study for the understanding of the mind of Australians in general and for the appreciation of political events in Australia during the war. As will be explained below it would be rash to describe every view expressed by Labour speakers or writers as Labour policy and it would be unfair simply to state Labour views without taking into account some of the circumstances in which they were expressed.

First an attempt will be made to summarise the views most frequently asserted in the Federal Parliament in the nineteen-twenties.

In 1923 Labour defence policy was declared to Parliament by the Leader of the Opposition, Mr Matthew Charlton,[5] in these terms:

The Labour Party's policy is to promote world peace, and, consistently with Australia's goodwill to her kindred overseas, declares its readiness to take full responsibility for Australia's defence, but is opposed to the raising of forces for service outside the Commonwealth, or promise of participation in any future overseas war, except by a decision of the people.[6]

In earlier parliamentary debates Labour members had made general statements against "imperialism" and in distrust of current British diplomacy, and had expressed faith in disarmament and in "efforts for peace" through the League of Nations. Reduce armaments and abolish conscription said Mr Tudor,[7] Leader of the Opposition, during the debate on the Peace Treaty on 10th September 1919; but, as regards the Peace

[4] *Commonwealth Debates*, Vol 115, p. 71.

[5] M. Charlton. MLA NSW 1903-9; MHR 1910-28; Leader of Fed Parl Labour Party 1922-28. Of Lambton, NSW; b. Linton, Vic, 15 Mar 1866. Died 8 Dec 1948.

[6] *Commonwealth Debates*, Vol 104, p. 1741.

[7] Hon F. G. Tudor, MHR 1901-22; Min for Trade and Customs 1908-9, 1910-13, 1914-16. Of Richmond, Vic; b. Williamstown, Vic, 27 Jan 1866. Died 10 Jan 1922.

Treaty itself, he said that it did not matter whether or not Australia agreed to ratification as the treaty would in any case be signed by Britain.

Prevent wars instead of preparing for them, said Charlton on 22nd September 1922, when he joined Fenton,[8] Brennan[9] and Tudor in protesting against increased expenditure on defence, and Brennan argued that the defence proposals were not only a waste of money but a repudiation of the obligation to disarm which he found in the Peace Treaty. In the debate inaugurated by Hughes on 7th April 1921, reporting on the Imperial Conference and posing against the background of the Pacific the problems set by the Australian status of nationhood, Charlton said that he dreaded imperialism, favoured disarmament and pinned his faith to the League of Nations. Later in the year the Labour leader welcomed the Washington Conference for it would discuss the vitally important subject of disarmament[1] and he and other members of his party regarded the prospective conference as an additional reason for opposing any increase in Australian defence expenditure.[2] When Hughes made a statement to the House on the Near East crisis on 19th September 1922, Charlton said little on the major issues which Chanak raised for the Dominions but protested against Australia being asked to participate in a further war at the "instigation" of the British Government.[3] The Leader of the Opposition in the Senate, Senator Gardiner,[4] pursued the idea further. War was practically the everyday business of Great Britain and it was regrettable that both in and out of Parliament there was a sentiment which would tie Australia to Britain and therefore to continuous war. A republic would be cheaper. "We should be left to our own resources. We should be obliged to defend ourselves and we would cultivate that spirit of independence that is so necessary for the progress of every nation."

Bruce's statement before he left for the Imperial Conference of 1923 was criticised by Charlton for asking all the questions and giving none of the answers. He regarded Bruce as an advocate of "imperialism". Must Australia respond to "the call of any gentleman who happens to be at the head of Imperial affairs"? Why don't we work for peace and disarmament and the strengthening of the League of Nations and get "more closely into touch with" other nations instead of helping to bring about war by preparing for war? The Washington Conference decisions would bear good fruit if "properly handled" but don't let Australia meddle with the affairs of anyone else. Secret diplomacy should be ended. Parliament, not the Executive, should control foreign policy and the people should have an opportunity of saying whether or not they approved of a foreign policy. Every effort should be made to secure world peace, treating other

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[8] Hon J. E. Fenton, CMG. MHR 1910-34; Min for Trade and Customs 1929-30; PMG and Min for Works 1931-32. Of Merricks North, Vic; b. Natte Yallock, Vic, 4 Feb 1864. Died 2 Dec 1950.

[9] Hon F. Brennan. MHR 1911-31, 1934-49; Attorney-General 1929-32. Of Melbourne and Bendigo, Vic; b. Sedgwick, Vic, 1880. Died 5 Nov 1950.

[1] *Commonwealth Debates*, Vol 97, p. 11684, et seq.

[2] *Commonwealth Debates*, Vol 97, p. 11613.

[3] *Commonwealth Debates*, Vol 100, p. 2351, et seq.

[4] Hon A. Gardiner, MLA NSW 1891-95, 1904-7; Senator 1910-26, 1928; Asst Min for Defence 1915-16. Of Waverley, NSW; b. Orange, NSW, 1867. Died 14 Aug 1952.

peoples as brothers and sisters, whilst maintaining the right to manage our own affairs, instead of always considering whether we were prepared to meet an attack from this or that nation.

When Bruce returned from London to report to Parliament on the Imperial Conference of 1923 and to present for approval those "principles" of foreign policy, defence and imperial cooperation which were to guide Australia right up to the outbreak of war in 1939, the Labour Party contributed little to the debate. Nothing would be derived by Australia from the conference said Charlton. There was nothing in the Prime Minister's statement to require the attention of the House and, as urgent business had been neglected during the Prime Minister's absence, he thought the House should spend their time doing useful business for development of the country.

Charlton's speech on the Imperial Conference report on 4th August 1926, developed his party's views on British Empire relations more fully than on any previous occasion. The points he made were that the claim that Australia should have a voice in the foreign affairs of the British Empire would be the first step towards the disintegration of the Empire. There was danger in becoming mixed up in all of Great Britain's troubles, troubles which largely arose from the business of British investors and manufacturers, for he feared that in such circumstances causes of dispute between Australia and Great Britain would become serious and many and would threaten disruption. It was much better to wait. If a crisis made it necessary to side with the motherland they could make their decision but they should not commit themselves in advance. Nor should they become embroiled in the concerns of Europe but keep their liberty to act as they thought fit at any time and in any circumstances.

In various debates in the early nineteen-twenties Tudor, Charlton, Fenton and Brennan protested against increased expenditure on defence as a waste of money, as a repudiation of the obligation to disarm, and as an act of preparation for war. Consistent with their anti-conscriptionist principles several members of the party proposed the abolition of compulsory military training, but when, on 1st December 1921, Charlton unsuccessfully moved to delete this item from the Defence Estimates, he made his main argument to the effect that the war had shown that training was a waste, inasmuch as methods of warfare were constantly changing, and in a very brief period Australian forces could be brought up to a state of efficiency. Try for peace first and, if attempts for peace failed, then Australians would give a good account of themselves irrespective of whether they had any previous training.[5]

Labour opinions regarding peace and disarmament, as well as the objections to a close link in defence with Britain, led them to oppose, too, naval defence measures. They did not accept the argument that the British Navy was a powerful element in the security of Australia. They consistently

[5] This belief that the untrained Australian could quickly learn how to defend his home against an invader was common to many Labour discussions on defence both inside and outside Parliament for twenty years. One favourite illustration used by Labour speakers was the successful resistance of the Boer commandos against the military might of Britain on the South African veldt.

opposed any Australian expenditure on cruisers. Cruisers were objectionable partly because they were an "offensive" weapon, as distinguished from "defensive" weapons, and with their long range and the use to be made of them in cooperation with the British Navy, they would help to bring Australia into those adventures overseas and automatic service abroad to which the Labour Party was opposed. For some of them, too, a navy was the symbol and the instrument of that "imperialism" which they regarded as the cause of wars. In the debate on the Defence Equipment Bill of 16th July 1924, Anstey,[6] Acting Leader of the Opposition, found the sole good purpose of cruisers was to ensure that in time of war munitions requirements could be brought from overseas to Australia and then argued that it would be much better to establish munitions plants in Australia.

Labour was in favour of the naval limitations at Washington. They welcomed Ramsay MacDonald's action in discontinuing work on the Singapore base as a "gesture for peace". Some of the members did not object to a Far Eastern base of the British Navy in principle and indeed on occasions advocated that one ought to be built in Australia. Similarly when, in spite of their opposition to the acquisition of warships, some naval vessels were ordered, there was strong Labour advocacy of building them in Australia, even although it was stated that this would nearly double the cost, for they could see the advantage of local building in providing employment and training, and "keeping the money in the country".

Reduction of military training and opposition to the navy were negative policies. Labour also had a positive side to its defence policy. While there were some elements in the party that were unreservedly pacifist or blindly isolationist, most of them were practical Australians admitting the practical possibility that Australia itself might be attacked and if so would fight back. They opposed participation in wars abroad but were strong for resistance to the invader. How would Australia resist?

In the debate on the Defence Estimates in 1920, Mr McGrath,[7] the Labour member for Ballarat, after having declared that there should be no more standing army, no more compulsory training and no more cruisers, declared that the principal need was to develop submarines and air services. The advocacy of air force and submarines became the central point of Labour defence plans.

The idea of aerial defence of Australia was one that had been taking shape slowly in the Labour Party for more than a decade. In 1908 and 1909 when Labour was chiefly proud of the expression it was giving to Australian nationalism by the creation of a separate Australian navy, Frank Anstey and others were seeking another answer both to the peculiar strategic needs of a small population in a large continent and the doctrinal difficulties of a party that was both nationalist and anti-

[6] Hon F. Anstey, MLA Vic 1902-10; MHR 1910-34; Min for Health 1929-31. Of Brunswick, Vic; b. London 18 Aug 1865. Died 31 Oct 1940.

[7] D. C. McGrath. (Served 1st AIF.) MLA Vic 1904-13; MHR 1913-19, 1920-34. Of Ballarat, Vic; b. Newtown, Vic, 10 Nov 1873. Died 31 Jul 1934.

imperialist, both aggressive and anti-militarist, determinedly offensive on tariffs and immigration but isolationist. In view of the positions he occupied later it is interesting to find an early exposition of the view being given at the Seventh Commonwealth Conference of the Australian Labour Party in June 1918 by one of Anstey's disciples, the 33-year-old editor of the *Westralian Worker,* John Curtin,[8] when speaking to a proposal to repeal all clauses of the *Defence Act* relating to compulsory training and to compulsory service in time of war. Curtin, who, like McGrath, had grown up politically under the inspiration and tutelage of Anstey, agreed that there was an obligation to provide a system of defence but said that the effective defence of Australia could not be secured by the reproduction of the methods of Europe because the men available would not be numerous enough. He looked to other methods for safety, chiefly aircraft. With an efficiently-equipped aircraft service, knowledge of the approach of an invading fleet could be gained, and it would then be a comparatively easy matter to send super-aircraft freighted with high explosives against the ships of the enemy. Under what might be called the old military system with a vast coastline of thousands of miles to defend, the cost to Australia would be enormous and it then could not be thoroughly organised. He placed his faith in aircraft, the usefulness and efficiency of which would continue to expand.[9]

As developed in the parliamentary Labour Party the plans to rely on aircraft and submarines were essentially plans for home defence narrowly conceived as the protection of the coast from invasion. Reluctantly admitting that, until his ideals of peace were achieved, some form of defence was necessary, Charlton sketched the plan in 1923. With adequate air and submarine forces, the aircraft going out 500 miles beyond our shores, we would keep the invader out of Australia and, if not, "every man capable of shouldering a rifle would be ready to do so". Thus Australia could defend itself from any foe that might come here.[1]

The second positive proposal of Labour was the fostering of local industries and the development of the country and this was consistently advocated, although at this time Labour had apparently not given any close attention to the detailed problems of munitions. They rested on the general proposition, compatible with their industrial and tariff policy, that it would be good for Australia to have ironworks, engineering plants and shipyards of her own.

These two main elements in Labour views on defence policy—forces which in range and composition were narrowly confined to home defence, and the development of local industry—were clearly discernible before 1923. In the following decade some Australian military men, basing their thinking on the assumption of a military situation created by hostilities with Japan at a time when the British naval strength in the Pacific could

[8] Rt Hon J. Curtin, MHR 1928-31, 1934-45; Prime Minister and Min for Defence 1941-45. Of Cottesloe, WA; b. Creswick, Vic, 8 Jan 1885. Died 5 Jul 1945.

[9] *Report* of the Seventh Commonwealth Conference of the Australian Labour Party, opened at Perth, 17 Jun 1918, p. 28 et seq.

[1] *Commonwealth Debates,* Vol 104, p. 1729.

not be reinforced, developed ideas which resembled those of Labour and were gratefully quoted by Labour men in support of the party's arguments against reliance on naval forces as the first line of defence.[2] The two sets of views were, however, different in origin. Those of Labour were not the result of considering a military task but rather the result of the Labour viewpoints regarding the nature and causes of war and the place of Britain and Australia in the world.

The parliamentary statements which have been quoted above suggest that the views held by Labour men on defence and foreign policy were, in part, a judgment on a course of diplomacy that had ended in war in 1914. They considered that a diplomacy which brought such results was bad and, lacking means to change it, they should abhor it. These views were also, in some cases, a socialist judgment on the nature of international politics or on the growth of the British Empire. In part, they were the vague but idealistic acceptance of a faith, widely held throughout the world at that time, that wars could be prevented by such measures as prohibiting the private manufacture of arms, by practising open diplomacy, and by taking all disputes to sessions of the League of Nations. They were, in part, also an expression of Australian nationalism and a reaction against what they regarded as the continued "colonialism" of the Government; and, in part, an affirmation of a belief that each nation helped peace by minding its own business and limiting its military preparations very narrowly to home defence.

To conclude the account of Labour views at that point, however, would be to overlook other conditions which had an influence on the Labour Party as a peacetime Opposition. At the end of the 1914-18 war the Labour Party had reached a critical stage in its own development and for most of the period between the two wars it was passing through a prolonged internal struggle.

As a political machine, the party had been formed to "secure a substantial representation in Parliament" and, by parliamentary means, to "restore to the people the land of which they had been plundered, to absorb the monopolies which society at large has tended to create, and to ensure to every man, by the opportunity of fairly remunerated labour, a share in those things that make life worth living".[3] Thus the party had originated and developed in domestic politics.

By 1914 it had succeeded in establishing itself as a representative, coherent and effective political institution. It had succeeded not only in making the "voice of Labour" heard but in making it the voice of an Australian government; it had succeeded in obtaining for the working man some of those material benefits "that make life worth living". In the first stage of its political history the obtaining of parliamentary power, which was an essential means to achieve its purposes, tended to become an end in itself, and by 1914 an influential section of the party—the

[2] See G. Long, *To Benghazi* (in the army series), ch. 1.
[3] *Official Report, Labour Defence Committee*, 1890.

"stalwarts" of its pioneering days—were already tending to become conservative inasmuch as they put a value on office as an end in itself and as a means of maintaining the advantages they had gained. Although in 1921 the party was to add to its objectives "the socialisation of industry, production, distribution and exchange", the solid, influential leaders of the party, conscious of the floating vote, explained away their socialism as often as they advocated it and even those sections which clamoured for "socialism" did not always appear to have thought their way through to the ends of socialism. The party, as a rule, tended to subordinate theory to the immediate practical ends of obtaining political power and to the practical tasks related to wages, hours, social benefits, prohibitive tariffs to protect factory employment, resistance to immigration for fear it might threaten the jobs of Australians, and, above all, the maintenance of the standard of living.

Yet around the conservative "stalwarts" swirled many contending elements. Hancock[4] describes the movement at the end of the war of 1914-18 as "full of vigorous incompatibilities—American syndicalist theories, echoes of Leninism, echoes of Wilsonism, odds and ends of Marx, British pacifism and robust Australian nationalism".[5] An historian of the party, Lloyd Ross,[6] has spoken of it as a "blotting pad for all progressive ideas".

In its early years the Labour Party had picked up from the atmosphere of the working-class movement the germ of many ideas, but when the main purposes of political action were to secure a parliamentary majority and a higher standard of living for the working man, the fermenting of these ideas meant turmoil inside the party rather than a re-examination of doctrine. Within the party there might be a dozen clashing opinions on war, capitalism, the League of Nations, the class struggle, the woes of Ireland, the socialist objective and the armaments industry, but views on such subjects had to make their way against the preoccupation with domestic political problems more closely linked with the standard of living, and a majority in Parliament.

Moreover, at that time, a good deal of the "advanced" working-class thought on world events also tended to encourage local political action rather than participation in international politics. The "war of rival imperialisms", German and British, was at an end, and the struggle now was between the "master class" and the "subject masses". The shell of the old society was beginning to crack. A bankrupt capitalism was in dissolution. Each locality would work out its own salvation on the spot. Internationally there might be emulation in efforts for the common good but political action would be local action. Any fervent Labour member who applied the lessons gained from such reflections on the world overseas

[4] Sir Keith Hancock, Prof of Modern Hist Univ of Adelaide, 1924-33, of Hist Birmingham Univ, 1933-44, of Economic Hist Oxford, 1944-49. Dir Inst C'wealth Studies Univ of London since 1949. Editor, on civil side of Brit Official War Histories since 1946. B. Melbourne, 26 Jun 1898.

[5] W. K. Hancock, *Survey of British Commonwealth Affairs* (1937), Vol I, p. 83.

[6] L. M. Ross. State Sec NSW Bnch Aust Rlwys Union 1935-43. Director Public Relations Post-War Reconstruction, 1943-49. B. 28 Feb 1901.

would believe that his job was to apply himself to bringing the predestined new order in Australia by the action of Australians and to take care that no Australian government served the purposes of the dying social order by becoming involved in wars plotted by the "master class" for its own ends and the perpetuation of its own system. Furthermore this process of establishing socialism country by country would, it was believed, avoid the recurrence of wars, for wars were due to capitalism which compelled every nation constantly to seek new markets to exploit and thus inevitably set up a clash of rival interests. The main task for a working-class party was at home.[7]

Hitherto the domestic purpose of the Australian Labour Party had been unrelieved to any great extent by international working class affiliations. The party had been in touch with the outer world but had drawn on other men's ideas for their application to Australian internal conditions rather than to expand into world comradeship. The Industrial Workers of the World had an undoubted effect on Australian trade unionism but it was principally an effect on the way in which the unions went about serving the interests of the working men in Australia. When in 1926 Australian Labour participated for the first time in an international conference—a world conference on migration—it was flung back on to Australianism rather than led forward into internationalism, for it began to find that its fellow socialists had little sympathy for those restrictive policies in migration and trade which were vital for the Australian working class movement.[8]

Similarly the wartime experience of 1914-18 had tended to turn Australian Labour back on itself rather than to lead its thoughts to the outside world. Before the war of 1914-18 the Labour Party had given attention to Australian defence but the motives behind compulsory training, agreed to in 1908 against the objections of a minority, and the founding of an Australian navy seemed to have had more to do with the general objective of 1908 of building a self-reliant community and with an expanding national pride than with any close study or interpretation of international affairs. In talking of defence they had not envisaged anything like the bloody realities of 1914-18.

The first reaction to the experience of 1914-18, so far as the official actions of the party reveal it, was to abhor war. The party added to its main objectives "the prevention of war through the settlement of international disputes by a tribunal clothed with powers sufficient to enforce its awards"; and conferences of the Australian Labour Party passed anti-militarist and anti-imperialist resolutions. For a long time it was going to be hard for the party to pass beyond its condemnation of war and its abhorrence of war to face the attendant problems of diplomacy and defence or the providing of means to enforce international awards.

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[7] See *Report* of the Seventh Commonwealth Conference of the Australian Labour Party, opened at Perth, 17 Jun 1918. This outlook is also reflected in the conclusions reached by Anstey after a European tour in 1918-19. See F. Anstey, *Red Europe* (1919), Ch. VIII.

[8] See R. S. Ross, "A Labour View of Pacific Problems", Chapter X, in *Studies in Australian Affairs*. (NSW Branch of Institute of Pacific Relations 1928.)

Yet, when talking of a party, however well disciplined, it cannot be forgotten that it is made up of men and women. All Australians, regardless of party, had been through a trial together and most of them had shared both bereavement and pride. For adherents of Labour no less than for any other Australian, these feelings still glowed to kindle patriotism. Thousands of men who voted Labour or worked for Labour had been on Gallipoli or in Flanders and no conference speeches would dim their own experience of war or their special pride as "diggers".

War had, however, left in the political heart of the Labour Party a special heritage of resentment and passion which was peculiar to Labour alone, and the party entered on the period of peace, confused, excited and twisted by its own bitter memories of the two wartime conscription campaigns. The conscription campaigns and the splitting off from the party of the National Labour group headed by W. M. Hughes left at the heart of the party those who had felt most strongly against conscription and stored the bitterest memories of that controversy. This is not the place to tell again the story of the two referenda or to analyse the reasons why the people of Australia twice voted against conscription during the war of 1914-18.[9] Our interest is to note the viewpoints that were developed and expressed in the course of those campaigns.

A moral principle against the coercion of the individual was at the centre of the opposition to conscription but it was surrounded by other arguments. It was said that Australia should conserve her population and should not overtax her strength but save it for future needs. Australia's first responsibility was her own defence and there was no direct or indirect danger to Australia herself sufficient to warrant such exceptional measures as conscription for service overseas. If real danger did arise the power to conscript for service in Australia for the defence of Australia already existed.

There were also arguments that flowed from a particular view of the nature of the war and of the part of Britain in it. It was a war to maintain the balance of power in Europe and although that might affect Australia it was not Australia's primary concern.

There were further arguments that flowed from a particular view of the organisation of society. Why should the life of a wage earner be conscripted to protect the untouched and accumulating property of the "ruling and privileged classes"?

Furthermore, there were feelings bred in the bitterness of the two campaigns. Scott quotes a political observer: "They began by being anti-conscription, they went on to be anti-British and they ended by being anti-war".[1] And whether or not that is an exact account of the way such feelings grew, there is no doubt that part of the carry-over from the conscription campaigns was this bitterness, coupled with an understandable predisposition to think that any policy in relation to war and defence that might be advanced by a non-Labour government was necessarily

[9] See Scott, Ch. IX and XI; and L. C. Jauncey, *The Story of Conscription in Australia* (1935).
[1] Scott, p. 395.

militaristic and imperialistic and that the motives behind it would be pro-British rather than pro-Australian.

The mood of the party towards the end of the war can be further illustrated by the decisions of the Perth conference of June 1918, declaring against cooperation in the recruiting campaign and in favour of the immediate initiation of peace negotiations. In these resolutions the outbreak of war in 1914 was attributed to "commercial rivalry, territorial greed and dynastic ambitions", and the "ruling and privileged classes" were condemned for profiteering. Although these declarations were reported to have been adopted unanimously, and in that case were shared in by two future Labour Prime Ministers, J. H. Scullin[2] and John Curtin, as well as by three of Mr Curtin's ministers in the war of 1939-45, it is extremely doubtful whether they meant in practice all that they professed. They certainly did not prevent several eminent Labour men from continuing to support the war effort. Nevertheless the pacifism, anti-militarism and concern lest the workers be exploited, which were formally expressed by the party in June 1918, remained continuous elements in Labour views on any question relating to war.

Thus when the Labour Party entered on the period of peace and as Opposition assumed its share of the responsibility for the security of Australia, it had at its centre of authority those who appealed to Australian nationalism in a way that tended towards isolation, who deprecated imperialism in a way that impeded cooperation within the British Empire, who criticised British capitalism in a way that would favour a division of classes rather than an alliance of states, who abhorred and condemned war in a way that made it hard for them to entertain the idea that war between states might come again, and for whom phrases like "compulsion" and "equality of sacrifice" were the triggers of emotion.

Some of their leaders had a simple and uncomplicated devotion to peace and all of them were determined that Australia should be watchful against being dragged into wars in which as a young democracy she was considered to have no real interest. At that time not only Australian Labour supporters but a great number of people with wider international experience believed that somehow a clear distinction could be drawn between wars of aggression and wars of self-preservation and between defensive and offensive military measures. In an island continent like Australia, if anywhere, this choice could be made, particularly if too close an association with Britain, who was deeply involved in all sorts of foreign situations, could be avoided.[3]

At that time, too, with the Covenant of the League confiding the custody of the peace to an international institution, it was possible for people to believe that peace was being cared for, and to go about their own everyday business.

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[2] Rt Hon J. H. Scullin. MHR 1910-13, 1922-49. Prime Minister and Min for Industry 1929-32; Treasurer 1930-31. Of Richmond and Ballarat, Vic; b. Trawalla, Vic, 18 Sep 1876. Died 28 Jan 1953.

[3] One of the objections Labour found to the Singapore base in 1923 and 1924 was that it was needlessly offensive against Japan.

When it came down to the day-by-day business of politics, Labour men were in reality more concerned with the domestic scene than the world. They were apt and knowledgeable in Australian home affairs and in the daily traffic of politics but were inclined to lump world affairs under bold and convenient danger signs such as "imperialism" and "capitalism".

3—A FIVE-YEAR PROGRAMME OF DEFENCE

The Bruce-Page Government, a coalition between the Nationalist Party and the newly-organised Country Party, during its six years of office from February 1923 to October 1929, carried out a planned though modest programme of defence in application of the principles of the 1923 Imperial Conference.

Soon after the demobilisation of 1919, the strength of all services was greatly reduced. Early in 1922 the peace strength of the army was reduced from 89,824 to 37,560 of all ranks and the period of training in the Citizen Forces was reduced from five to two years. The ships in commission in the Royal Australian Navy were reduced from twenty-five in 1921 to thirteen in 1922; warship building and naval base construction were suspended and the total of naval personnel shrank from 4,843 to 4,000. Economy, war weariness and, perhaps more significantly than any other factor, the hopes of peace founded on the Washington Treaties and a system of collective security through the League of Nations were mainly responsible for these reductions. In 1923 and 1924 even modest attempts to restore the defences of Australia had to be supported by Hughes and Bruce with strong arguments, for Australians generally were either unable to contemplate another war or, being busy about peacetime affairs, looked to disarmament and collective security to guarantee the future.

The 1924-25 Budget and the Defence Equipment Bill of that year inaugurated a five-year programme of defence measures under which a total of £36,250,000 was eventually expended. In keeping with the declared and approved policy, the restoration of the Royal Australian Navy was the main feature of the programme and an expenditure of a total of £6,500,000 on naval construction during the five-year period added two cruisers, two submarines and a seaplane tender. By the beginning of 1929 the Royal Australian Navy had grown to more than its wartime strength with twenty-eight ships, a seagoing personnel of 5,300 and a naval reserve of over 7,000. Throughout the five years the annual expenditure on naval forces remained steady in the region of £2,400,000 to £2,700,000.

The army was raised to 45,000 men in a compulsorily-enlisted militia, which was intended to form a nucleus of a force which at full strength would have needed 200,000. A steady annual vote in the region of £1,500,000 for military forces was maintained. The air force, established as a separate arm of the services in September 1923, was slightly but steadily extended during the currency of the programme, its annual votes

was greatly reduced. Early in 1922 the peace strength of the army was for the purchase of equipment which, over the five years, did not total more than £300,000, and for the development of civil aviation. At the end of the five years the air force, although still an infant, did exist.

The fourth feature of the programme was the organisation of a Munitions Supply Branch on a modest scale which would allow of expansion. The annual cost for Munitions Supply ranged from £380,000 to £570,000.

Towards the end of the five-year programme, the Bruce-Page Government, in pursuance of the policy of the cooperative development of air forces which had been declared at the 1923 Imperial Conference, and in continuation of the modest steps already taken to create an Australian Air Force, invited Sir John Salmond[4] to examine and report upon the equipment, training and administration of the R.A.A.F. and its general state. In his report, dated October 1928, Salmond recommended a capital expenditure of nearly £2,000,000 on equipment, works, services and special training and a nine-year development programme with an expenditure of £1,139,800 a year—or twice the current annual vote for the air force. He also drew attention to the importance of organised air routes in facilitating the movement of operational units. While kind enough to say that the existing force had been built on firm foundations and developed on sound lines, and giving credit to those responsible, he also said bluntly that, due to the obsolete type of service machines in use, the entire absence of any reserve equipment, and the low standard of training in the operational units, he considered the R.A.A.F. would be totally unfit to undertake war operations in cooperation with the navy or army even after the permissible period of training for the latter had elapsed.

The Bruce-Page Government accepted the first third of the nine-year Salmond plan—three years being the normal period of office between elections—but before they could implement it there was a change of Government.

From the service point of view, whether in navy, army, or air, the position in 1929 could not be described as adequate defence for Australia or even as a satisfactory nucleus from which services might be rapidly expanded to meet any conceivable threat. It could be argued, however, that the provision was adequate for any contingency which could be seen at that particular time.

The question whether or not the expenditure on defence was too large or too little has to be related to so many considerations that any answer will be surrounded with qualifications. Expenditure might be expressed as a percentage of national income and, if so, it will be found that Australia was spending a little over one per cent of her national income on the Services in 1927-28, a figure which was much the same as the percentage to be spent in 1937-38 after a more serious rearmament had been recognised as necessary. Whether the ideal in peacetime is one per cent

[4] Marshal of RAF Sir John Salmond, GCB, CMG, CVO, DSO. Comd RAF in the Field 1918-19. Ch of Air Staff 1930-33. Dir of Armament Producn, and Dir-Gen Flying Control and Air Sea Rescue, Air Ministry, 1939-45. B. 17 Jul 1881.

or ten per cent is a calculation to be made by the nation itself, having regard to its standard of living, its interest in developmental projects, and the degree of danger of attack. Perhaps more than one per cent would be needed in 1937-38; but if more than one per cent had been devoted to defence in 1927-28 what would have been the effect on the development of Australia which was then taking place, and what would have been the ultimate effect on the economic resources on which she was able to draw in the war of 1939-45?

In the light of the fact, then unknown, that it was to be more than ten years before war came, it is doubtful whether higher defence expenditure to the prejudice of development would have been wise. In the more optimistic mood of the times, when, as the years went by, there were both abhorrence of war and a growing confidence in a lasting peace, it would have been extremely difficult politically to spend more, either from taxation or loan.

During the years under review the prospects of an early war faded. International news of the day was news of attempts to bring about peace —meetings of the League of Nations, the Washington Treaties, the Locarno Pact, disarmament proposals, the outlawing of war. Campaigns for peace and the revulsion against war became almost the only expression of any popular interest by Australians in the world at large. There was no political stimulus to the Government to make better provision for defence and, indeed, all the persuasions of the Opposition, when it was heard at all on the subject, were in favour of a reduction of expenditure. War was either not thought about or was not considered an imminent possibility.

Moreover, during the nineteen-twenties plans for large-scale development were in the foreground of national thought. More population, extensive land settlement, the development of resources and all those related activities that came under the general description of "opening up the continent" were the positive elements in the policy of the Bruce-Page Government.

Side by side with the promotion of immigration and the undertaking of projects for development, the Bruce-Page Government throughout its political life also had to attend to two other major domestic issues—the tariff and industrial relations—and it was in these two fields rather than in the fields of foreign policy and defence that it was judged by electors and criticised by its opponents.

All these factors tended to reduce the attention that any practical politician was prepared to give to other than purely domestic issues. The speech made by Mr Bruce in 1927, following the Imperial Conference in 1926, shows that for him the basic issues were still unchanged, but it is also plain from the parliamentary debates and the election campaign of that year, that in 1928 defence was not a matter of much political consequence to the elector.

Apart from the political difficulties, it may have also been economically undesirable to spend more. In this period of expansion the country was ready to spend large sums on land settlement and other developmental

projects. The public debt of the nation was increasing at the rate of about £40,000,000 a year to reach a total of £1,104,000,000 at the end of 1928-29 and practically the whole of the new money was being devoted to public works and developmental projects. While the administrative responsibility for many of these projects rested with the States, they engaged the major attention of the people of Australia and from 1927 required the financial oversight of the Commonwealth Government. Another factor in the financial situation was that the Commonwealth Government was bearing a burden inherited from the 1914-18 war. Up to June 1928 over £400,000,000 had been paid out for repatriation services (including pensions, war gratuities and war service homes). Such an item had a restrictive effect on the Budget and it also provided a continuous illustration for the pacifists against the folly of war and of preparation for war. The mood of the times was to deplore that while the country had been prepared to spend so many thousands of pounds an hour on the conduct of war, it was not able to find money for social services or for development. It needed some temerity to propose the building of warships at such a time.

Considered as a percentage of the total departmental expenditure of the Federal Government, the defence expenditure corresponded very closely to peacetime experience before the 1914-18 war. In 1909-10 the percentage had been 20.9, in the year before the war 27, and in 1928-29, 20, after falling away from the maximum expenditure under the five-year programme.[5]

Another way of testing the adequacy of defence expenditure was to relate it to the size of the population. In 1927-28, the figure for Australia was £1 5s 5d per head; Canada 5s 7d; New Zealand, 14s 1d; South Africa 11s 4d (counting the European population only); and Great Britain, £2 12s 2d. The Australian figure was 6s a head more than it had been in the last year before the 1914-18 war and was a good deal higher than most countries of her population.

The per capita figures raise the further question of whether Australia was doing her share as a member of the British Empire. Obviously she was doing more than any other Dominion, but much less than Britain. One argument the Government consistently used in trying to maintain its estimates against critics was the heavier burden borne by the mother country.

The keenest contemporary criticism, however, did not refer to the size of the defence vote but to the way it was allocated among the three services. A sober statement of this criticism was given by Sir Harry Chauvel[6] in his last report as Inspector-General of the Australian Military Forces, covering the year 1929.[7] He regarded a revision of Australian defence policy as urgent in order to define Aus-

[5] See *Commonwealth Debates*, Vol 124, p. 2360.

[6] Gen Sir Harry Chauvel, GCMG, KCB. Comd. Desert Mtd Corps 1917-19; I-G AMF 1919-30; CGS 1922-30; Inspr-in-Ch Vol Def Corps 1940. Regular soldier; of Clarence River district, NSW; b. Tabulam, NSW, 16 Apr 1865. Died 4 Mar 1945.

[7] *Commonwealth Parliamentary Papers*, 1929-30, No. 103.

tralian responsibilities for her local defence and her commitments towards the sea defence of the Empire. Pointing out that the contribution to the Royal Australian Navy had grown to practically half of the defence vote[8] he questioned whether the method of Australia's contribution to sea defence was not more costly than she could afford. He appreciated, however, what some of his fellow critics did not apparently admit, that the review of Australian defence policy could not be considered apart from a general review of Imperial defence policy.

The distinction which the Imperial Conference of 1923 had drawn between local defence and Imperial defence had become so absolute in the discussion of the subject in Australia that home defence was argued about by politicians as though it was totally and for ever disconnected from anything that might be done outside the three-mile limit. The trend of thought is further illustrated by the way in which air forces became identified in Australian political discussions with home defence, whereas in the 1923 conclusions the development of air forces had also been referred to as part of cooperative Imperial defence, and of course when war came they were used both at home and overseas. The acceptance of the Salmond plan was not simply an act of local defence, but also an act of Imperial defence cooperation and, in that character, like naval cooperation, it was intended to serve the ends of Australian security.

The basic principle of Australian participation in the Imperial Conference discussions was to maintain the strength of the British Empire as a united empire and through that strength to bring about peace both by support of the League of Nations and by Anglo-American cooperation. Such policy called for the maintenance of forces which would be of some significance in the world. To concentrate solely on a force which would simply be a home-defence force to protect Australia against a prospective invasion would not only fail to serve the purpose of the policy but would be a negation of it, for it would mean that the only preparation that Australia was making was not to support its policy of international cooperation but to meet a situation that would result from the complete failure of that policy. If the high proportion of the defence vote spent on the navy was to be criticised it should be criticised, as some Labour leaders did in fact criticise it, on the ground that the foreign policy on which it was based was wrong or on the ground that to concentrate chiefly on a navy was not the best way to maintain the communications and ensure the unity of a maritime Empire.

Besides being based on the Government's foreign policy, the emphasis given to naval construction in the five-year programme was also, in part, a response by Australia to a temporary situation. Speaking on the Defence Equipment Bill in 1924, Bruce, while basing his case mainly on the fact that the hopes placed in the Washington Treaties had led to inadequate expenditure and that the position should now be rectified made pointed

[8] The figures given by Chauvel are not fairly quoted for he makes a comparison with 1901, when Australia was making a small annual subscription towards the British Navy, whereas the whole question of cost was completely changed in 1909 when the Australian Government decided to acquire and maintain a separate navy.

reference to the fact that Great Britain had suspended work on the Singapore naval base. At the 1923 Imperial Conference, as the conclusions of the conference showed, the construction of the base had been regarded as vital to the maintenance of the prestige and the position of the Empire in the Pacific, but after the conference, a change of government in Great Britain had led to a decision not to proceed with the work. The Australian Government, taking the view that if the Singapore base was not built, the British Empire could not, in the Pacific, give effect to the 5:5:3 standard laid down by the Washington Treaty, cabled to the British Government stating that, in the event of that Government reconsidering its decision and proceeding with the construction of the base, the Australian Government would submit to Parliament a proposal that Australia should make a substantial contribution to the cost of the base.[9] The fact that the British decision against Singapore was maintained was part of the reason why Australia proposed to undertake additional naval measures on her own. Bruce told Parliament that the British decision meant that Britain had preferred to increase her air defences for the immediate protection of her own shores than to strengthen the British Navy for the defence of the Empire. He pointed to the danger that in future Empire defence might be relegated to the second place, Britain's own defence becoming her primary consideration.

Another element that entered into the Australian naval construction programme after the supplementary London Naval Treaty of 1930 was that the quotas of cruisers and smaller vessels were fixed by that treaty as a quota for the whole Empire, including any separate Dominion navies. If Australia acquired two cruisers they would be counted in the Empire quota. Assuming that a naval force was essential to the security of Australia, and that, as the 1921 Conference had agreed, the naval forces of the Empire should be equal to those of any other country, it became a matter of direct concern to Australia to see that the Empire quota was filled. Looked at from another point of view, any Australian decision to build or acquire warships would be, in reality, a decision by Australia on the share of financial responsibility for the quota which Australia would herself accept, and what units of the total strength she wished to bring directly under the control of her own Government.[1]

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[9] See *Commonwealth Debates*, Vol 106, p. 48; Vol 107, p. 1703.

[1] This question of Australian control over ships as well as sharing the financial responsibility for maintaining the quota was something more than a matter of national pride or prestige. Most Australians could remember a controversy which had arisen a few months before the recent war, when in March 1914 Mr Winston Churchill, then First Lord of the Admiralty, had given a curt opinion that battle cruisers were superfluous in the Pacific and should be employed nearer Britain. "No European State would or could invade or conquer New Zealand or Australia unless the British Navy had been destroyed . . . the situation in the Pacific will thus be regulated by the decision in European waters. Two or three Australian and New Zealand Dreadnoughts, if brought into line in the decisive theatre might turn the scale and make victory not merely certain but complete. The same two or three Dreadnoughts in Australian waters would be useless the day after the defeat of the British Navy in Home Waters." (*House of Commons Debates*, 17 Mar 1914, pp. 1927-34.) The Australian Minister for Defence, Senator Millen, had opposed this contention and presented all the arguments for a separate Australian navy. Whether or not any concession be made to Mr Churchill's main point, which was really an argument of strategy, that forces should be concentrated in the "decisive theatre for the decisive event", the core of the whole matter is that any decision to use Australian ships away from Australian waters should be made by the Australian nation, and by no one else. Another phase of the same question of direct Australian control is illustrated by objections raised on the Labour side to the employment

The technical and professional criticisms of the naval expenditure have been discussed elsewhere,[2] and will be referred to briefly below. Although these critics questioned the soundness of the strategical assumptions on which the allocation of the Australian defence vote was based, they seldom, if ever, made a close and reasoned examination of the fundamentals of Australian foreign policy and defence, or, what was perhaps more important, of the way in which the policy which had been declared at the Imperial Conference was being applied throughout the British Commonwealth. While Australians and the Federal Parliament were willing to talk occasionally about the defence forces and argue the case between navy, army and air they would seldom approach the question of Australian foreign policy. They would discuss the types of forces to be provided but consider only sketchily the course of international events which would decide when and where the forces would be needed. To advance the ideas which Bruce had set out would have required rather greater activity on the part of Australia, in consultation with Britain and the other Dominions, in foreign affairs, a much more active role in the League of Nations, and a resistance to some of those tendencies which the Australian Parliament hailed with satisfaction or complacency. The logical extension of the Australian thesis would have been to reject Locarno, but in fact Australia, in common with other Dominions, hailed with satisfaction those aspects of the Locarno Pact which exonerated the Dominions from any participation in British diplomacy in Europe. Yet it has to be recognised that the keystone of the policy was unity. Open differences or an insistence on an Australian view would have weakened the unity. When other Dominions did not share the view of Australia in favour of a common foreign policy and a common defence policy there was apparently acquiescence from the Australian side. When Britain, under the MacDonald Government at a time when Germany was still in subjection, saw a lesser danger of war and commenced to disarm, Australia could remind them that the world was larger than Europe and represent the dangers in the Pacific, and she could maintain her own naval votes, but she did this all rather mildly, still resting contentedly in the shade of the 1923 statement. The Australian Government had based its security on the united action of the British Empire both in diplomacy and war, but could not insist on its own views on when, how, and with what means that united action could be taken.

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of the Australian cruiser H.M.A.S. *Brisbane* on the China Coast in 1925 when she was attached to the Royal Navy for training under a system by which vessels were exchanged between the two navies. The Labour Party argued that it was wrong for an Australian ship to take part in measures oppressive to the Chinese, with whom Australians desired to live in amity, and, although the criticism lost in force firstly because the occasion of the action was the protection of British lives and property rather than an attack on China, and secondly because the current Labour attitude on the exclusion of Chinese had cast doubts on the sincerity of their championship of China, it serves to illustrate another of the issues raised through the independent existence of an Australian navy. These considerations underline the more important fact that difficulties would always arise if defence were divorced from foreign policy. Whether the situation be viewed from the British or the Australian side, the difficulties became acute only if Imperial strategy bore no relation to Imperial diplomacy.

[2] For a fuller discussion see the opening volumes of the army, navy and air series. See also Section 5 of the present chapter.

4—THE SCULLIN MINISTRY AND THE DEPRESSION YEARS

At the general elections of 1928, the Nationalist-Country Party coalition was again returned to office, although it had lost a good deal of ground since the 1925 elections. The main issues before the electors in 1925 and in 1928 were the tariff and industrial relations. The Labour Party's main bid for support was on a policy of economic self-containment by means of a higher tariff, which it was claimed would lower imports, raise prices, increase local industries and end unemployment. During 1929, industrial disputes rose to a post-war peak and in September of that year a double dissolution was brought about by the Government's stand on a proposal affecting the Federal system of compulsory industrial arbitration. The ensuing election led to the return of Labour with forty-six seats in the House of Representatives, which then contained seventy-five members, and the party took office under Mr J. H. Scullin.

In the course of its election campaign in 1928, the Labour Party had promised the abolition of the system of compulsory training of able-bodied youth for home defence, that promise simply repeating what had been a cardinal point of the party's policy on defence since the anti-conscription campaigns. One of the new Government's first acts on assuming office was to honour the promise.

The abolition of compulsory training has to be considered apart from the other defence measures of the Scullin Ministry for it has a special character of its own, being neither an act of economy nor, strictly speaking, an act of disarmament, even although occasionally referred to as "a gesture of peace". The principle on which the action was based did not apply necessarily to the scale of defence but to the method of enlisting military forces.

The Scullin Ministry was sworn in on 22nd October 1929, and within a fortnight, before Parliament met, compulsory training was abolished by administrative act. Technical advice was not sought for, as Mr Scullin said in answer to a question in Parliament, this was a question of party policy.[3]

After the Government had acted, the Defence Council, which was composed of a panel of Ministers, the permanent head of the Defence Department, and the service chiefs, was asked to consider defence plans, and their discussions concerned defence generally as well as the consequences of the change-over to voluntary training.

When Parliament met on 20th November, the Governor-General's speech, after announcing the change, foreshadowed a general review of provisions for the defence of Australia and mentioned in particular a comprehensive review of the position of the air force and the possibilities of coordinating its work with that of civil aviation.[4]

The new Government took over the major portion of the Estimates introduced by the late Government, making minor increases under various

[3] The Leader of the Government in the Senate, Senator Daly, said categorically that the Government did not confer with the Defence Department concerning abolition of compulsory training. *Commonwealth Debates*, Vol 122, p. 307.

[4] *Commonwealth Debates*, Vol 122, pp. 7-8.

headings and a reduction of £160,000 in defence expenditure from revenue and of £50,000 in loan expenditure on defence.[5] The effect of the cuts fell chiefly on the army. These initial cuts were not presented as economy cuts. Although the Governor-General's speech noted some adverse financial conditions, it considered that the causes were "seasonal in character" and anticipated "a return to normal prosperity in the coming year", while, in his Budget statement, the Treasurer echoed the general optimism of the Address by saying that "if we are blessed with good seasons our troubles will soon disappear, and we shall commence a new era of progress and prosperity". The previous Government, having completed its five-year defence programme, had itself proposed to reduce the Defence Estimates by £500,000 and now the Labour Government was simply going £210,000 further. The selection of the Defence Department for reductions was due more to the views of the Ministry on peace, disarmament and militarism than to current financial difficulties and was also in part consequent on the change they had made in the system of military training. As for growing unemployment, the Government's first cure was to suspend immigration and as for a fall in prices, their first remedy was to propose growers' pools.

The change-over to a voluntary system of training was strongly attacked by the Opposition for its probable effects on the strength and efficiency of the Australian Military Forces. The Opposition also saw the action as a Labour attack on defence measures generally and criticised it as misguided and dangerous at a time when most other nations except Great Britain were increasing armaments. This "gesture of peace", Senator Pearce said, was "more likely to be regarded as a gesture either of insanity or infinite foolishness".[6]

However, when Parliament met again in March 1930, after an adjournment for three months, the outlook of the Government was different. The depression of which the Bruce-Page Ministry had detected the first signs, had swiftly deepened. In a ministerial statement of 12th March 1930, Scullin spoke of the "difficult financial and economic position confronting the Commonwealth". Most stringent measures were necessary to rectify the trade balance, export of primary products must be stimulated, and all wasteful expenditure eliminated. Among several particular cases, he mentioned that the whole administration of the Department of Defence was now being reviewed "with the object of effecting economies consistent with efficiency".[7] Immediate steps were taken in reducing staffs and paying off ships and the Estimates for 1930-31, which were introduced on 9th July, proposed that "in view of the present adverse position of Commonwealth finances", defence expenditure from revenue was to be reduced to £3,767,000 (compared with £4,267,000 in the previous year) and to £129,800 from loan (£246,500). Five naval vessels, including the two

[5] *Commonwealth Debates*, Vol 122, pp. 112 and 115.
[6] *Commonwealth Debates*, Vol 122, p. 45
[7] *Commonwealth Debates*, Vol 123, pp. 26-28.

new submarines, were to be paid off into reserve and seagoing personnel reduced by 700. Economies were to be effected in the Royal Australian Naval College and the Royal Military College, and there was to be retrenchment in the military staffs.[8]

In a statement as late as 12th June 1930, the Minister for Defence, Mr Green,[9] had still distinguished between the change-over to a voluntary system "in accordance with Government policy" and the curtailment "owing to the financial situation", but very soon the effects of the two policies were to be indistinguishable. For the rest of its brief term of office the Scullin Ministry had little choice about defence measures and found no opportunity to try out its own ideas. It just cut down expenses.

There were those who could find merit in the necessity and rejoice in defencelessness as well as in changing the system of training. The Attorney-General, Mr Brennan, speaking in the Eleventh Assembly of the League of Nations as leader of the Australian delegation, said: "Australia tells the world, as a gesture of peace, that she is not prepared for war . . . . We have given practical proof of our earnestness . . . . We have drawn our pen through the schedule of military expenditure with unprecedented firmness. We have reversed a policy which has subsisted in Australia for twenty-five years of compelling the youth to learn the art of war". For the most part, however, the more sober minds on both sides of the House recognised that it was financial stringency that brought the defences to a point at which the new Minister for Defence, Mr Chifley,[1] "confessed" in the debate on the 1931-32 Estimates that "no further reduction in expenditure can be made, unless there is a general survey of the position to ascertain whether the skeleton force we have can be better controlled by consolidating our strength on particular lines, rather than spreading our activities over a wide field".[2] Perhaps if Labour had stayed in office further economy might have led the way to far-reaching reform in the system; but in November 1931 the Scullin Ministry fell, as the result of a split in the Labour Party and, after an extraordinary election, the United Australia Party, newly-formed from the former members of the National Party and the dissenting members of the Labour Party, took office in January 1932, with Mr J. A. Lyons[3] as Prime Minister.

If the Scullin Ministry is to be judged it can be fairly judged outright for its initial act of abolishing universal training and replacing the force of 47,000 universal trainees by a volunteer militia of 35,000, but any judgment concerning the tying up of ships or retrenchment cannot be

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[8] *Commonwealth Debates*, Vol 125, p. 3894.

[9] Hon A. E. Green. MLA WA 1911-21; MHR 1922-40; Min for Defence 1929-31; PMG and Min for Works 1931-32. Of Kalgoorlie, WA; b. Avoca, Vic, 21 Dec 1869. Died 2 Oct 1940.

[1] Rt Hon J. B. Chifley. MHR 1928-31, 1940-51. Min for Defence 1931-32, Post-War Reconstn 1942-45; Treasurer 1941-49; Prime Minister 1945-49. B. Bathurst, NSW, 22 Sep 1885. Died 13 Jun 1951.

[2] *Commonwealth Debates*, Vol 131, p. 4633.

[3] Rt Hon J. A. Lyons, CH. MHA Tas 1909-29; Premier 1923-28. MHR 1929-39; PMG and Min for Wks and Rlys 1929-31; Treasurer 1932-35; Prime Minister 1932-39. B. Stanley, Tas, 15 Sep 1879. Died 7 Apr 1939.

reached without due consideration of the budgetary problems forced on the Government by the depression.[4]

A continuance of the same budgetary problems meant that there was no immediate change after the Lyons Ministry took office. The Lyons Budget for the financial year 1932-33, the presentation of which was delayed until November 1932, provided a shade less for defence than the last Scullin Budget. "I do not pretend that an effective defence force for Australia can be provided with the amount of money set down in these Estimates," said the Minister for Defence, Sir George Pearce, replying in the debate on the Appropriation Bill to strong criticism from a member of his own party. "I should have liked the honorable Senator to show where it is possible to obtain more money . . . . I ask the honorable Senator where we are to get the money. It is all very well to preach the gospel of perfection . . . but the problem that confronts us is that we are barely able to find even the comparatively small amount it is proposed to appropriate and our difficulty in that respect will become greater unless the conditions become much more favourable than we expect them to be."[5]

In the debate on the Defence Estimates the Minister found two additional reasons for deferring an increase in the defence vote. One was that the League Disarmament Conference was about to meet when the Estimates were being prepared and the Government thought it should await the outcome. The other was that Australia was hoping to bring about a review of the present state of Imperial defence, for it thought Britain was bearing more than a fair share of the burden and Australia was bearing much more than any other Dominion, even although the seaborne trade of other Dominions was greater than that of Australia.[6] The Minister named no names, but Canada was clearly in mind.

By the beginning of 1933 the Australian defence system had reached its lowest point for twenty years. The training strength of the military forces was below 28,000. The commissioned strength of the navy was two cruisers, one destroyer, a depot ship, a sloop and a motor-boat, and the seagoing personnel numbered 3,122. The air force had an approved establishment of less than 1,000 officers and men plus a Citizen Air Force

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[4] The Labour Party itself justified its abolition of universal training on two grounds other than the major ground of objection to compulsion. They claimed in a rather vague and unemphatic way that it was a "gesture for peace" and also, more definitely, that the voluntary system was just as efficient as compulsory training (see speech by Green in *Commonwealth Debates*, Vol 136, p. 1624). There is some ground for doubting the claim of efficiency. The defence plan based on voluntary enlistment provided for a militia establishment of 35,000 militia and 7,000 cadets, in place of the nucleus force of 47,000 which had been considered the minimum under the 1924 universal training scheme, but by June 1930, the strength was only 27,000 militia (*Commonwealth Debates*, Vol 135, p. 3098), and it stayed in that region for the next two years. If the claim were sound, however, it would cancel out the other argument for it was scarcely a gesture of peace to replace one system by another equally efficient. The strongest points in favour of the voluntary system really gain their strength from the inefficiency of the old system of training due to methods that had nothing to do with the element of compulsion. The direct comparison of enlistments is only a rough guide for it does not take into account either the intensity or nature of the training, or the actual attendance at camps, or the fact that one of the advantages claimed for the universal training system was that each year it passed into reserve a quota of men who had completed their compulsory training. Broadly the position was that the volunteer system trained a smaller group of enthusiasts more intensively and the compulsory system gave some training to a large proportion of all medically fit adult males.

[5] *Commonwealth Debates*, Vol 136, p. 1818.

[6] *Commonwealth Debates*, Vol 136, p. 2094.

of 300, and its handful of aircraft were primitive. Senator Hardy[7] said its twenty-eight front-line machines would be "about as effective as a box of crazy kites bought in a toy shop".[8] The annual defence expenditure had been halved. The achievements of the Bruce-Page five-year programme, moderate as they may have been, had been dissipated. In 1933 Australian defence had to start again to build up the severely-reduced services. The chief disability was not that services had been truncated and weakened and had lost good men, but that for three years of depression the political discussion of defence matters had been almost solely along the lines of who should or should not be retrenched.

5—REARMAMENT: THE FIRST PHASE

The first marked increase in defence expenditure was made on the Estimates for 1933-34, presented to Parliament on 5th October 1933. The vote for current defence services was raised by over £1,000,000 to £4,157,000 and inaugurated a three-year programme of expansion. In view of the fact that an active section of the Labour Party opposed the increase, it is fair enough to say that, without the change of government, the larger provision for defence would not have been made so soon.

Nor was the restoring of the defence vote solely a response to improved economic conditions. Rearmament tended to climb slightly in advance of financial recovery. The more marked and immediate effects of the economic depression were still visible at least until 1936-37 and the pre-depression level of defence expenditure was being approached in 1934-35. Not only does the amount of defence expenditure rise but a higher percentage of the national income and a greater proportion of the total revenue collections are devoted to defence.[9]

The Lyons Ministry itself might not have been expected to have had defence as one of its prime concerns. It had been created by political arrangement in an emergency for the sole purpose of leading Australia

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[7] C. Hardy. (1st AIF 1915-18.) Senator 1932-38; of Wagga Wagga, NSW; b. Wagga Wagga 12 Dec 1898. Died 27 Aug 1941.

[8] *Commonwealth Debates*, Vol 136, p. 1810.

[9] A rough indication of the period during which the marked and immediate effects of the economic depression were visible in Australia is obtained from the figures given in the *Commonwealth Year Book* for unemployment in trade unions, the recorded total value of overseas trade, the recorded value of exports, the gross value of production, and the index numbers of Melbourne wholesale prices, and from the figures for national income in Colin Clark and J. G. Crawford, *The National Income of Australia* (1938). Annual expenditure on defence from Consolidated Revenue (excluding War Services 1914-18) was as follows:

1926-27	£7,890,839	1932-33	£3,159,960
1927-28	£7,385,800	1933-34	£4,157,494
1928-29	£6,536,482	1934-35	£5,457,800
1929-30	£4,885,987	1935-36	£7,014,432
1930-31	£3,859,069	1936-37	£8,065,142
1931-32	£3,184,836		

Expressed as a percentage of Clark and Crawford's figures for national income the expenditure varied as follows: 1926-27, 1.13; 1927-28, 1.04; 1928-29, 0.89; 1929-30, 0.7; 1930-31, 0.7; 1931-32, 0.65; 1932-33, 0.61; 1933-34, 0.73; 1934-35, 0.91; 1935-36, 1.48; 1936-37, 1.09. Expressed as a percentage of the total receipts of Consolidated Revenue the variation was: 1926-27, 10.4; 1927-28, 10; 1928-29, 8; 1929-30, 6.3; 1930-31, 5.4; 1931-32, 4.4; 1932-33, 4.3; 1933-34, 5.6; 1934-35, 7; 1935-36, 8.5; 1936-37, 9.

Although a small proportion of defence works was undertaken with unemployment relief funds, defence expenditure was not itself part of any recovery plan, and the Government's proposals always had to make their way against the Labour Party's objections that the money could be better spent in relieving the unemployed or in development.

out of a depression and its leader, while he had differed from the Labour Party on the subject of financial recovery, had not had any occasion to re-examine his own or Labour views on defence and foreign policy. Nevertheless the Ministry included among its members for a brief period the former Prime Minister, Mr Bruce, and had as its first Minister for Defence, Sir George Pearce, whose intimate association with the problems of Australia's place in the world went back to the war of 1914-18. Moreover, the Government was being constantly nagged and spurred by a number of its own supporters who since 1931 had been expressing growing anxiety at the state of the country's defences. Their arguments were reinforced by events in Asia following the Manchurian crisis of 1931.

It was Pearce who, in a much-quoted speech to the Millions Club, Sydney, on 25th September 1933, propounded the defence policy of the Government, possibly as a try-out before the Budget increase to be announced a fortnight later. In this speech it was made clear that Australian defence was still to be primarily naval. Pearce reiterated that Australia's defence policy must "dovetail with the Imperial defence policy" and should provide the maximum contribution she could offer to the defence forces of the Empire. "To give effect to this policy, Australia's primary aim should be the provision of an efficient squadron of ships, able to cooperate efficiently with the Royal Navy. In addition to providing ships, the necessary bases and equipment, fuel, stores and trained personnel must be provided to ensure the mobility and efficiency of the squadron."

In giving primacy to naval forces Pearce gave some attention to the particular situation—an attack on Australia—with which military critics had been concerned when pointing out the limits of naval defence. He made the judgment that an attack on Australian trade was more highly probable than an attack on Australia. Foreign markets were vital for Australia's primary production, and imports of phosphates and petrol were equally vital to Australian farmers. Half a million tons of phosphates and more than a hundred million gallons of petrol were imported by sea every year. "If Australia's markets were closed and her imports and exports stopped by enemy action, she could be forced to sue for peace without a single enemy soldier coming within sight of her shores."

His successor in the portfolio, Archdale Parkhill,[1] who probably spoke more frequently on defence to non-parliamentary audiences than any of his predecessors since 1918, elaborated the same point. He defined Australia's "interests to be safeguarded" as—

(a) The external right of freedom of movement of Australian seaborne trade;

(b) The internal rights of maintenance of the integrity of Australian territory, and the continuance of the activities of our national life.[2]

[1] Hon Sir Archdale Parkhill, KCMG. MHR 1927-37; Min for Home Affrs and Tpt 1932, Interior 1932; PMG 1932-34; Min for Defence 1934-37. Of Bellevue Hill, NSW; b. Paddington, NSW, 27 Aug 1879. Died 3 Oct 1947.

[2] Statement of the Government's policy regarding the defence of Australia, delivered at Mosman, NSW, 2 Dec 1935.

Expanding the point which he had placed first, he said:

> The free movement of imports and exports is accordingly necessary for the maintenance of economic strength; for the payment of external obligations and preservation of overseas credit, and for the utilisation of external economic and financial resources from which support may be drawn in the form of loans in an emergency.

The references to the protection of Australia's external trade brought a new emphasis in the old argument about naval defence. The idea behind it, as expressed by Parkhill, is clearly related not only to Australia's need for certain strategic material as already indicated by Pearce, but also to a particular view of the economic life of the country—a view which, nurtured in the depression, looked to the marketing of Australian products and the maintenance of sterling balances as the two pillars to support the nation. It was related, too, to a view that the Empire's resources should be available to the Empire rather than that they should be devoted narrowly to national use, and this became one of the points of difference between the Government and those of its critics who drew a picture of a self-contained and self-reliant Australia looking after her own safety and by so doing making her major and sufficient contribution to the defence of the Empire.

When Parkhill passed from aims to methods, he gave priority to naval power "ensuring the safe passage of our trade to the end of the sea routes of the world". Moreover, as any direct threat to Australia herself must come from overseas, the first line of defence must be "on or over the seas"—a phrase that left room for the parallel use of naval and air forces as originally envisaged by Hughes in 1921.

The Government gave first place but not exclusive attention to the navy. In his speech of September 1933, Pearce also promised improved coastal defences at vital localities, including replacement of heavy guns and provision of anti-aircraft guns. He also announced that the policy of the Government was to give effect to Sir John Salmond's recommendations as soon as funds became available and that delivery was being taken of additional aircraft. Expenditure on the air force was more than trebled between the financial years 1932-33 and 1936-37, with corresponding increases in civil aviation, and in May 1936, Parkhill announced the Government's intention to establish an aircraft industry in Australia and to develop civil aviation as an adjunct to defence.[3]

The Government measures went side by side with an increased popular interest in defence, plainly noticeable from about 1933, when a Citizens' National Defence Committee was formed in Sydney, and gained a good deal of support both from the public and the press. Public discussion opened with statements about the inadequacy of Australian defence but quickly turned into an examination of the best method of defence.

A good deal of this discussion was carried on apart from the course of party politics by groups of Australians who had become concerned with the safety of their country and were conscious both of the weakened

[3] Speech to the Constitutional Club, 11 May 1936.

state of its defences and of the growing dangers abroad. They saw an undefended Australia and they saw the growing possibility of war, perhaps in Europe, perhaps in the Far East, and they asked the question how best to defend their land, how best to prepare. They were of course not breaking a virgin field. Professional soldiers and keen volunteers had been writing and discussing these problems for a decade.[4] In Parliament there had been National and Country Party members who had consistently argued against the defence cuts.[5] Now, however, the subject, after having moved from the barracks into the council chamber, was being taken into the forum.

Among those who helped to stimulate the argument, veterans of the 1914-18 war were prominent. The members most active in debates on defence in Parliament had served in the field and as returned soldiers had continued their soldiering in peacetime. Another veteran from a different sphere was Hughes. He had led a vagarious and disgruntled political existence since 1923, exiled from office and unsuccessful in attempts to form a new party, but had obtained a portfolio as Minister for Health in the Lyons Ministry in 1934. His contributions to the public discussion of defence were a personal rather than a ministerial contribution and continued a gospel which he had never ceased to preach. In a book published in 1929, looking back over his participation in world affairs during critical times, he had revealed that his stand on defence, foreign policy and British Commonwealth relations was still firm. "The security of the British Empire depends upon its control of the seas—and now also of the air—and as long as adequate armed force assures that control, British policy can proceed freely along any lines considered necessary to safeguard Empire interests. When the force at the disposal of the Empire falls below that level we must accept a policy dictated by others."[6]

Now, in a fervent, up-and-doing book published in 1935, he told the people of Australia that they had been "living for years in a world of dreams" and should awake and arm for "the dove of Peace has fled to regions unknown. Mars once again in the ascendant smiles sardonically at Geneva. Yet Australia in an armed world is almost defenceless".[7]

Once again his starting point was that up to the present the Dominions had owed their immunity from attack to the "might of the British Empire", by which he meant the might of Great Britain supplemented by such Dominion forces as existed. He rejected the possibility of a Dominion being able to elect to remain neutral. He rejected the possibility of security through the League of Nations. "It talks; it appeals; it supplicates;

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[4] See G. Long, *To Benghazi*, in the army series.

[5] See particularly the contributions of Mr T. W. White and Senators Sampson and Cooper to the debates on the Defence Estimates in July and August 1931; Senator Hardy on the Appropriation Bill, November 1932; Brig E. F. Harrison, Mr McNicoll and Mr White on the Defence Estimates, November 1932, and Brigadier Harrison on the Defence Estimates, November 1933. The speeches of Senators Sampson and Cooper in August 1931, contain one of the earliest examples in Parliament of a difference of opinion among non-Labour members on the allocation of the vote between the navy and the air force, Senator Sampson presenting the arguments for the navy and Senator Cooper those for the air force.

[6] W. M. Hughes, *The Splendid Adventure* (1929), p. 224.

[7] W. M. Hughes, *Australia and War To-day. The Price of Peace* (1935).

it negotiates; but it cannot act." In the case of aggression against Australia, the League would have no capacity to render aid except such capacity as Great Britain might give to it. He confessed that he was moved to "cold fury" by the "unctuous self-righteousness" of Dominion "pacifists" and others who thought that they stood apart from the world, or who, in face of danger, simply talked of living at peace, or disarming, or supporting the League. But Australian reliance on security through the British Empire also had to be re-examined. The power and influence of the British Empire had hitherto rested on sea power and the defence of the Dominions and of the Empire had been dependent almost entirely on the British Navy. Today the British Navy was no longer mistress of the seas. It could not ensure the safety of Australia nor protect Australian seaborne commerce. Singapore being uncompleted, there were no bases in the Pacific from which a fleet could operate and, in any case, even if the main fleet could operate away from European waters, it would take some time to come to the aid of Australia. Secondly, conditions had changed with the development of aviation. The defence of Britain herself had to be considered in a new light and for Empire defence supremacy in the air was as essential as supremacy in the sea. Yet she was even weaker in the air than on the sea. Thirdly, Japan was no longer an ally.

Yet, in face of these three facts, Hughes wrote, Australia was still relying on the British Navy. Australia must, as far as humanly possible, provide for her own safety. But her defence policy was hopelessly inadequate to the circumstances in which she found herself.

In discussing Australian defence policy, Hughes did not reject either the value of a navy or the value of the British connection. His approach rather was that, having reached the deplorable situation, due partly to Australian shortcomings, where there was no adequate British and Imperial naval force in the Pacific, something had to be done to repair the defences of the continent and those defence measures must be "within our resources and . . . available within a comparatively short period of time". A navy strong enough to defend Australia, even when cooperating with the British, China, East India and New Zealand squadrons, was far beyond our resources but an effective air force was not. The aeroplane came to Australia as a "gift from the gods".

> We must, of course, have land forces, numerous, well-disciplined and equipped, so that we may, if the need arises, resist an invader. And if our navy is to be of service, it must be strengthened, but it is upon our aircraft that Australia must rely. And with those she can build up such a defence force as will make an attack by a hostile fleet an adventure too hazardous for any power to attempt . . . . If our resources will not suffice to furnish us with all arms of defence, we must concentrate on aircraft. A strong air force is within our resources, no matter how conservatively these may be estimated. And there is no reason why Australia should not have an air force so strong as not only to overwhelm any enemy aircraft, to destroy all transports, plane carriers and supply ships accompanying the fleet, but also to disable, if not destroy, his armed vessels.

To this Hughes added that to have an effective air defence, Australia must have an aircraft industry.

Equally characteristic of the arguments being used was a pamphlet *Japan and the Defence of Australia,* by "Albatross"[8] published in Melbourne in 1935. "Albatross" marshalled evidence from various Japanese pronouncements and actions to support the view that Japan was likely to extend her empire towards Australia, although, he said, there was no evidence to support the view that Japan wanted to annex Australia. Passing to examine the means of defence available and noting in particular the decline of British naval power and the danger of war in Europe, the writer considered it improbable that British naval aid would be available to Australia either immediately or eventually. For Australia it was not a case even of preparing to hold off an invader until assistance arrived, but a case of relying "solely and finally on our own resources and preparations". He saw little prospect either of British aid or of America interesting herself in any quarrel Japan might have with Australia. This led to warnings not to put a nation's trust in navies for in them was no salvation, but to rely on land forces and aircraft, supplemented by small naval craft such as submarines and destroyers.

The immediately apparent omission from the whole of "Albatross's" argument, as indeed from the arguments of others of the same school, is that to keep oneself from being overrun is not precisely the same as winning a war. The situation was perhaps seen too narrowly as that of defending Australia rather than of participation with allies in a world war or of using the strength of oneself and one's allies to prevent war from coming. The attempted invasion of Australia by Japan was made an isolated chapter of history standing apart from and largely uninfluenced by the world war which, in the back of their minds, most of the debaters had supposed was raging when they assumed a Japanese attack. It may be hard to sustain a case that the discussion of defence was isolationist but it would be very much harder to disprove the charge that it was extremely provincial.[9]

The argument tended to develop into a debate on whether naval or air services were best before the debaters had thoroughly examined the basic question whether or not the fundamental assumptions of 1923 still held good. It tended to narrow down to a strategical argument on how to defend the continent of Australia from an attack on her coasts or an invasion of her territory before they had considered the broader aspects of Australian security. The arguments tended to concentrate on a defence policy for Australia without examining realistically whether an Imperial defence policy was necessary and if so what the policy should be. Challenged on this point the debaters would often fall back on the argument that if Australia defended itself it would contribute to the defence of the Empire but, in the public forum at least, there seems to have been scant consideration

[8] Pseudonym for E. L. Piesse. Maj E. L. Piesse. Dir of Intell AMF 1916-19. Dir Pacific Bnch, Prime Minister's Dept 1919-23. Solicitor; of Hobart, Tas, and Kew, Vic; b. New Town, Tas, 26 Jul 1880. Died 16 May 1947.

[9] See also *The Australian Quarterly*, Sydney, No. 26, Jun 1935, "Australian Defence Policy" by "Observer"; No. 27, Sep 1935, "Australian Defence Policy, A Naval Comment" by "Scrutator"; No. 29, Mar 1936, "Australian Defence Policy, The Air Aspect", by "Quisair". *Argus* (Melbourne), 2 Aug 1935, article on "Sea Power".

of the question, even as a matter of simple arithmetic, whether six separate defence policies would add up to one policy. The arguments also divorced defence from foreign policy.

The conclusion that British naval aid would never arrive had not been accepted in articles by Australian Army officers, on which the above discussions were partly based. In the writings of Wynter,[1] Lavarack[2] and Robertson[3], the assumption was made that Japan would attack when the British Navy was preoccupied; Singapore would fall; the British Navy could not arrive for some months. The first requirement of Australian defence would be a force which could hold the Newcastle-Sydney-Melbourne area until naval help arrived and, in order that the naval help could be effective, there would have to be a base at Sydney. The argument rested on their judgment that Japan would choose to make a direct attack on Australia, that it was impossible to defend Singapore and that it was impossible to provide naval forces capable of intercepting a Japanese fleet. In brief, they met their opponents' arguments in favour of Singapore and the navy by simply saying that it could not be done. As soldiers, they found that their own arguments pointed to better provision for the army and the air force, the completion of coastal fortresses, the provision of mobile forces, the strengthening of air squadrons to meet raids. At the same time their arguments pointed to the prior need for re-examining the whole basis of Imperial cooperation and strategy.[4]

This Australian public discussion of defence tended at times to develop into a Navy-Army controversy. During this early period of rearmament, when decisions had to be made on the best form of Australian defence that could be provided from limited resources, the relative merits of the three arms of the Services were sometimes argued so narrowly as to impair the consideration of broader issues. The basic question was whether Imperial cooperation could guarantee Australian security and, if so, how could a policy of Imperial cooperation be made fully effective, going hand in hand with an agreed foreign policy, conforming to common strategical concepts, and provided with forces and facilities sufficient for its tasks.

6—THE BRITISH COMMONWEALTH IN CRISIS

The outlook from 1933 onwards was vastly different from the outlook ten years earlier when the foundations of Australian defence had been laid. Some of the assumptions which had been made in defence planning during the nineteen-twenties had lost their validity, partly as the result of developments within the British Commonwealth but mainly because of the changes in the international situation.

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[1] Lt-Gen H. D. Wynter, CB, CMG, DSO. AAG AIF 1917-19. Comd AIF in UK 1940, 9 Div 1940-41; Lt-Gen i/c Admin LHQ 1942-44. Regular soldier; of Brisbane; b. "Winterton", Burnett River, Qld, 5 Jun 1886. Died 7 Feb 1945.

[2] Lt-Gen Sir John Lavarack, KCMG, KCVO, KBE, CB, DSO. GSO 1 4 Div 1917-19. CGS 1935-39. GOC 7 Div 1940-41, I Corps 1941-42, First Army 1942-44. Governor of Qld since 1946. Regular soldier; of Melbourne; b. Brisbane 19 Dec 1885.

[3] Lt-Gen Sir Horace Robertson, KBE, DSO. 10 LH Rgt 1915-16. GSO 3 Yeo Mtd Div 1917-18. Comd 19 Bde 1940-41, 1 Armd Div 1942-43, Western Cd 1944-45, BCOF 1946-51. Regular soldier; of Melbourne; b. Warrnambool, Vic, 29 Oct 1894.

[4] For a full treatment of these arguments see G. Long, *To Benghazi*, in the army series.

In 1931 Japan invaded North China, in 1933 she resigned from the League of Nations, the resignation to be effective in 1935, and in 1934 she denounced the Washington Naval Treaty of 1922 and refused to renew the London Naval Treaty of 1930. Hitler came to power in Germany, German rearmament commenced and, in 1933, Germany resigned from the League of Nations, the resignation to be effective in 1935. During 1935 and 1936 the world was also to witness Italian aggression in Ethiopia, the failure of the League of Nations to prevent the aggression, the occupation of the Rhineland by Germany and the abrogation of the Locarno Treaty. From the end of 1934, the Soviet search for security led to greater diplomatic activity on her part both inside and outside the League of Nations and, characteristically, Soviet diplomacy was aided by attempts to influence the peoples of other lands as well as their governments.

At one time the Locarno Pact and devotion to the League of Nations had been the commonplaces with which members on both sides in Australian Parliament prefaced their speeches on defence. Indeed, for some of them, reliance on these measures had provided the main substance of their argument. Others had been able to build their hope on the Washington Treaties of 1921 and the prospects of disarmament, but the League Disarmament Conference, after stringing on for two years, led to nowhere in 1934, and the one event in its history that was remembered was the withdrawal of Germany in October 1933. The London Naval Treaty of 1930 had been greeted with a measure of hope in Australia, and, coming at a time when naval reductions were also being imposed by the depression, it helped to make the virtual disappearance of Australia's defence acceptable on less ill-seeming grounds than national incapacity. But the London Treaty soon ceased to bind Japan and after 1933 it was difficult for even the most faithful to find hope in disarmament as a sure way to peace.

When these hopes of peace and security were failing, did the British Commonwealth still stand as a sure safeguard? In the changed circumstances brought about by the first successful aggression by Japan and the rearming of Germany could Imperial cooperation in defence give adequate security either to the British Commonwealth as a whole or to each of its several parts? Australian defence policy had been based on Imperial cooperation. Was this still a sure foundation?

One preliminary matter to be considered in any examination of such questions from the Australian standpoint is whether the objectives and methods of Imperial cooperation were themselves constant or whether they had been varied by consent. Any policy of cooperation requires either constancy at the centre or full agreement among the partners in any changes that may be made. Had the shifting courses of Ramsay MacDonald, Baldwin and the Coalition Government in the United Kingdom been fully understood and fully approved by the Australian Government? It is true that the generalisations of the 1923 and 1926 Imperial Conferences still provided a sort of a code and a broad profession of faith

but how had they been applied in practice and, more to the point, were they still applicable to the new circumstances?

Any answer to these preliminary questions can only be reached after a digression to discover what had been happening within the British Commonwealth of Nations since the Imperial Conference of 1926.

Australia, while proud of her Dominion status, had not shown a continuous interest in examining the consequences of constitutional developments within the Empire. It is extremely doubtful whether Australian nationalism, if left alone, would have chosen to express itself in terms of status and constitutional powers. Australia was gathered up in changes mainly influenced by conditions and events in Canada, South Africa and the Irish Free State. The characteristic Australian tendency was to avoid definitions and to do what was politically advantageous.

Looked at from a narrowly Australian point of view, one of the most unfortunate results of the attempts made at the 1926 Imperial Conference to give precision to the imprecise growth of custom and to freeze the fluid course of political change was that emphasis was placed on constitutional principles rather than on the practice of politics. From that point onwards discussion of British Commonwealth relations tended to stay among the lawyers rather than spread to the politicians. Australians have quoted the Balfour Declaration and written on Dominion status much more often than they have considered the political tasks proper to an autonomous nation or the immediate responsibilities of an equal partner, both to itself and to its associates.

One of the constitutional arguments in which Australians became interested concerned neutrality. On the Labour side there were those such as Brennan, Attorney-General in the Scullin Ministry, who took the view that the neutrality of Australia and of other Dominions was possible in the case of a war involving the United Kingdom. His proposition was denied with constitutional arguments by members of the non-Labour parties, and was not fully shared by all members of his own party. There was, however, a general acceptance of the view that, whatever might be the constitutional theory regarding neutrality, the extent of participation in a war would be a matter for the Australian Government itself to determine.[5]

The argument on neutrality was of less practical importance than the almost total lack of argument regarding the responsibilities which followed from Dominion status. Dominion status in Australia became largely a legal rather than a political question and this tended to obscure the fact that the only effective meaning of Dominion status is to be found not in a declaration of rights but in the action which a Dominion takes autonomously in exercise of those rights. The penetrating mind of H. V. Evatt,[6] perhaps alone among the lawyers, came to the heart of the question when in a learned paper on the British Dominions as mandatories he discussed,

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[5] See also p. 52 below.

[6] Rt Hon H. V. Evatt. MLA NSW 1925-30. Justice of High Ct of Aust 1930-40. MHR since 1940; Att-Gen and Min for Ext Affairs 1941-49. B. East Maitland, NSW, 30 Apr 1894.

as incidental to a broader question, the distinction made in the Balfour Declaration between status and function and saw in it a distinction between the existence of Dominion power and the actual exercise of that power, the extent of its exercise being a matter for determination by the Dominions themselves.[7] A more common view was that the distinction meant that the Dominions could claim the status but that "the principles of equality and similarity appropriate to status, do not universally extend to function". In practical terms this meant that in such fields as foreign policy and defence, Great Britain was left to carry the major responsibility without any necessity for the Dominions to face the question to what extent they would exercise the rights and responsibilities which they had incurred from their equal status.

We have already seen that both Hughes and Bruce had laid stress upon Australian interests in the foreign policy of the Empire and had claimed that that interest extended to all departments of international affairs and not simply to those of regional concern. In fact, however, since 1924 Australia had not consistently and actively participated in the foreign affairs of the Empire. Some of the reasons for this neglect may be found in the isolation of Australia, her preoccupation with local affairs and the strong fears of the Labour Party regarding overseas entanglements, but equally powerful reasons are to be found outside Australia and particularly in the views taken by Canadians and South Africans on this subject.

The unusual character of Dominion nationhood and the failure to resolve the problems of working out a foreign policy for the British Commonwealth as a whole presented a dilemma to each of the Dominions. In theory they had the full power to conduct their own foreign policy and the Imperial Conferences of 1921 and 1923 had buttressed the right of shaping their foreign policies by making clear their right of legation and their treaty-making powers, modified only by a common obligation to consider the interests of each other when exercising these powers. The course of diplomacy, however, made it impracticable for the British Commonwealth to conduct six foreign policies, and equally impracticable for the United Kingdom to yield its own responsibilities and the supremacy which it had customarily exercised in all matters involving relationships of power with states. These problems were enhanced by the mechanical as well as the political difficulties of continuous consultation and the lack of opportunity for prompt and effective consultation in a crisis. The impossibility of neutrality in the British Commonwealth was matched by the desirability of unity in foreign policy in any of those matters which might involve the risk of war. On the other side there was some unwillingness on the part of the Dominions to accept a share in the shaping of united foreign policy for fear lest this would involve them in commitments which they were unwilling to bear. Hughes and Bruce had presented the argument that Australia must participate in the shaping of foreign policy lest it become involved in wars as the result of policies in which it had had no voice.

[7] *The Australian and New Zealand Society of International Law Proceedings*, Vol I (1935), pp. 33-35. "The British Dominions as Mandatories," by H. V. Evatt.

Granted the impossibility of neutrality, the argument was logical. Opposed to this was a view, with which Australian Labour was sympathetic, that each Dominion should mind its own affairs and Britain should mind hers and that, if war resulted, each nation of the British Commonwealth would decide what it would do. Granted the possibility of neutrality, this, too, was logical.

The conflict on neutrality had been slightly eased by the development from the time of the Chanak crisis of the view that each Dominion could determine the degree of its participation in war and, although not strictly neutral, could avoid paying the full consequences of any course of action with which it was not in sympathy or underwriting any policy of which it did not approve. But while this doctrine helped to clear doubts about the position to be faced in the event of an outbreak of war, it did not remove the immediate question of cooperation in the conduct of foreign policy.

Two ways of avoiding the dilemma offered themselves for a brief period. The first was membership of the League of Nations. It was thought that within the League the nations of the British Commonwealth would find that most questions would be decided for them by the League. As good League members, each and all of them would act always and only as the League required and any problem of unity of the British Empire would be overcome by the assurance of a wider unity within the League. Political experience did not fully justify this optimism and the decline of the League tended to throw the British Commonwealth back on to the horns of its own dilemma.[8]

Membership of the League had also served to lessen the difficulties which arose in Australia, as in other Dominions, between those political groups which, for one reason or another, found strong objection to serving

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[8] J. G. Latham, *Australia and the British Commonwealth* (1929), pp. 41-43, sets out the theory clearly: "The truth is that the existence of the League contributes in a very real sense towards the solution of some of the problems of the British Commonwealth which would, in the absence of the League, create very acute difficulties. It has already been argued that it is not necessary that all parts of the Empire should have identical policies in their relations with other nations. It is upon the issues of peace and war that the Empire must act as a unit if it is to continue to exist. It is exactly in this sphere that the League comes to help to solve the problem. The Covenant of the League (subject to the exception created by Article 15 (8), which is discussed hereafter) binds Great Britain and each of the Dominions to abstain from going to war against members of the League, except in pursuance of or subject to the provisions of the Covenant. All parts of the Empire have therefore already abandoned the right of making separate declarations of war on their own account against other members of the League. By the Covenant and the Kellogg Pact for the Renunciation of War they are pledged against aggressive war. They would all be equally concerned in a declaration of war made under the auspices of the League against a covenant-breaking State though each would be the judge of the degree in which it would actively participate in belligerent operations . . . . However, if the Covenant is obeyed by the nations which have solemnly accepted it, all parts of the Empire will necessarily be in a state of legal belligerency if any one part of the Empire is at war. This proposition is subject to exceptions in the case of matters unanimously found by the Council to be matters of domestic jurisdiction, and in the case of disputes with non-members of the League. But these limitations cannot obscure the fact that the establishment of the League has gone far to remove one of the fundamental obstacles to the new idea of the British Empire by greatly diminishing the probability of the Empire breaking up by reason of divergent action of its parts upon issues of war and peace".
See also Alfred Zimmern, *The Third British Empire* (3 edn 1934), pp. 66-75. Both these and other commentators, however, overlooked the fact that it was not simply a case that the League would decide when the nations should or should not go to war but a case of each of the nations of the British Commonwealth taking part as members of the League in the making of that decision. Membership of the League also imposed the necessity of the nations of the British Commonwealth being agreed on vital issues before the League—a necessity that was by no means avoided by the limitations regarding domestic jurisdiction or the excluding of matters of British Commonwealth relations from various treaties.

the ends of a purely British policy. The Australian Labour Party, which had the strongest objection to being involved in wars which, in their view, were brought about by "imperialism", had no theoretical objection, in the days of Charlton and Scullin, to the League of Nations. So long as any demands made upon them by the League of Nations were identical with the views which other members of the British Commonwealth held on the point at issue, the dilemma would fade but with the decline of the League it reappeared in the branches of politics like a disconcerting Cheshire Cat. Labour was confronted again by the question whether or not it would act in isolation or in cooperation with the British Commonwealth and, as will be seen below, the ability of Labour members to see that question clearly was affected by the division at that time between those who at the moment of the decline of internationalism were becoming more active in their advocacy of support for the League of Nations and those who originally had tended to be isolationist largely because they were pro-Australian in a rather narrow way and were now driven further into isolationism by their fears of the internationalists in their own ranks.[9]

The second way in which, for a time, it was thought the difficulty of cooperation in foreign policy might be avoided was to limit the liabilities of the several members of the British Commonwealth in respect of any consequences that flowed from the actions of others. Close and constant consultation with a view to producing a single policy on all major matters which would be acceptable to all members of the British Commonwealth and in the shaping of which all members of the British Commonwealth would have an effective voice was considered impracticable. Instead consultation became more general and less specific and the major responsibility was left with the United Kingdom, it then being open to the Dominions to decide on the degree of support they would give to that policy should it subsequently involve the British Commonwealth in war. As already noted, some elements in the British Commonwealth took the view that it would also be possible for a Dominion to decide to remain neutral.

In accordance with this line of thought, the Balfour Declaration of 1926 made the distinction between "status" and "function" and also expressed the following views on the supremacy of Great Britain:

> It was frankly recognised that in this sphere, as in the sphere of defence, the major share of responsibility rests now, and must for some time continue to rest, with His Majesty's Government in Great Britain. Nevertheless, practically all the Dominions are engaged to some extent, and some to a considerable extent, in the conduct of foreign relations, particularly those with foreign countries on their

[9] A point remarked upon by contemporary commentators in the early nineteen-thirties was that while the Labour Party strongly opposed any British entanglements, they were ready to profess adherence to the League which might involve them in international entanglements. The point is similar to one that had been raised much earlier in Canada. See C. A. W. Manning, *The Policies of the British Dominions in the League of Nations* (1932), pp. 32-33. "Just at a time when the Dominion was coming to appreciate that as between itself and Britain there would never be any moral or legal obligations for it to take part in a war, Canadians were awakening to the fact of Canada's obligation at international law to intervene in some of the wars of her neighbours. 'If', said Mr C. G. Power, 'they had no business in coming to the assistance of the senior partner of the British Commonwealth, he did not see what business they had to go to the assistance of people who were foreign to them'." Australian Labour did not fully appreciate this point until the likelihood of imposing sanctions against Italy arose in 1936.

borders . . . . We felt that the governing consideration underlying all discussion of this problem must be that neither Great Britain nor the Dominions should be committed to the acceptance of active obligation except with the definite assent of their own Governments.[1]

At the 1926 Conference and at subsequent conferences, in contrast with the 1923 Imperial Conference, particular questions of current foreign policy were seldom raised or discussed. This tendency is further exemplified in the Locarno Treaty of Mutual Guarantee, Article 9 of which said "the present treaty shall impose no obligation upon any of the British Dominions, or upon India, unless the government of such dominion, or of India, signifies its acceptance of the Locarno Treaties".

The liability accepted at Locarno was accepted by Great Britain alone and this arrangement was agreeable to the Dominions, who appeared to find in it some sort of prospect of avoiding "entanglement". They would benefit from whatever improvement in the prospects of security might result from the Locarno guarantees but in theory they would carry none of the risks. Article 9 probably never had any more value than a convenient theory by which some of the internal difficulties of the British Commonwealth were glossed over, for if the Locarno guarantees had by chance led Great Britain into war, any arguments about the neutrality of the Dominions would have been just as academic as in any other similar situation and their capacity to make a decision regarding the degree of their participation in the war would have been unchanged. The Balfour Declaration and the Locarno Agreement skirted the difficulty.[2]

This tendency in British Commonwealth relations may have had some temporary value in Australia in lessening internal tensions but it did not lead to any improvement in Australian security and when both the League of Nations and the Locarno system failed, the old question of the exercise of Dominions' rights and obligations in respect of foreign policy and defence was presented as starkly as it had appeared in 1923. As the international outlook became more dangerous and the realities of power were made clear through rearmament and aggression, Australia was forced back to face the issue of the exercise of its rights and the discharge of its responsibilities as a Dominion. Could any Dominion continue to say of any major decision of foreign policy that it was the concern of the United Kingdom Government alone? Could any Dominion, unless it relied wholly on the doctrine of neutrality, pretend that there was no problem of Imperial defence?

From about the end of 1936, British foreign policy, if it was to be realistic, had to envisage the possibility of war. Hence it was necessary to know what would be regarded by Britain as an occasion for war and

[1] *Commonwealth Parliamentary Papers* 1926-27, No. 99, "Imperial Conference, 1926. Summary of Proceedings", p. 17.

[2] Zimmern, p. 73: "So long as Great Britain remains committed to local European obligations from which the Dominions are exempt, and the general obligations of the Covenant remain neglected and undefined, both the Empire and the League, let us frankly admit it, are in real danger, exposed to risks of disruption against which no adequate preparation, either material or moral, has been made. Locarno is no more than a single arch of a bridge. Until the structure is complete from shore to shore, Great Britain and the Dominions remain in separate groups, committed to separate policies".

what allies or members of the League could be depended on to go to war at the side of Britain. The speech of Mr Anthony Eden[3] at Leamington on 20th November 1936, declared British policy in this respect:

> These arms will never be used in a war of aggression. They will never be used for a purpose inconsistent with the Covenant of the League or the Pact of Paris. They may, and if the occasion arose they would, be used in our own defence and in defence of the territories of the British Commonwealth of Nations. They may, and if the occasion arose they would, be used in the defence of France and Belgium against unprovoked aggression in accordance with our existing obligations. They may, and, if a new Western European settlement can be reached, they would, be used in defence of Germany were she the victim of unprovoked aggression by any of the other signatories of such a settlement.
>
> Those, together with our treaty of alliance with Iraq and our projected treaty with Egypt, are our definite obligations. In addition our armaments may be used in bringing help to a victim of aggression in any case where, in our judgment, it would be proper under the provisions of the Covenant to do so. I use the word "may" deliberately, since in such an instance there is no automatic obligation to take military action. It is, moreover, right that this should be so, for nations cannot be expected to incur automatic military obligations save for areas where their vital interests are concerned.

But how far were these views shared or even considered in Australia? Australia had ceased to have that share in the shaping of foreign policy that Hughes and Bruce had originally sought. Now that war was a possibility her interest must be more direct. Was she content to follow blindly and loyally and take what came or was she to try to shape a policy of which she could wholeheartedly approve? Would Australia also be prepared to go to war for the causes listed by Eden? Were there other matters left unmentioned which were of such direct interest to Australia that she would like to see them referred to specifically? The defence of the Middle East and the resistance by the whole of the British Commonwealth to an attack on Australian territory were traditional in Australian thinking on security. There was another matter of even closer interest. Were there possible occasions of war in the Pacific about which Britain might usefully speak with equal clarity and force? On the other hand, were the commitments of Britain in Europe of such a kind that Australia would also accept them as occasions for her active participation in war, either through devotion to the unity of the British Commonwealth or because she regarded a breach of the peace of Europe as a breach of the peace of the whole world?

There were two practical sides to such questions as these. One clearly concerned the value of the united strength of the British Commonwealth to meet a threat of war. The other concerned the value of the united strength of the British Commonwealth during a period of diplomatic activity in an attempt to avert war. If efforts to restrain aggressors are to succeed there must be some certainty about the strength which can be opposed to aggression. "British influence for peace in the councils of the world and the preservation of peace itself [is] primarily a matter

[3] Rt Hon Sir Anthony Eden, KG, MC. (Capt KRRC 1915-18.) Sec of State for Foreign Affrs 1935-38, 1940-45, 1951-55, Dominion Affrs 1939-40; Prime Minister since 1955. B. 12 Jun 1897.

of the strength or weakness of British armaments," said Lyons on one occasion[4] and this appreciation of the diplomatic value of Imperial cooperation became an element in the defence policy of his Government.

7—THE IMPERIAL CONFERENCE OF 1937

Foreign affairs and defence became the main subjects at the Imperial Conference of 1937 for the representatives were met together "at a time when the international situation is difficult and even threatening, and the responsibility rests upon us to see that our deliberations not only are of service to ourselves but also may help in some measure towards the solution of those international problems which are now perplexing the world".[5] The conference discussed in turn the League of Nations, the European situation, and the Pacific and the Far East. The published result of these deliberations amounted to little more than the fact that the representatives of the Governments had exchanged views, that their objective was peace through peaceful methods, respect for their obligations under the League of Nations, acceptance of regional agreements so far as they contributed to the cause of peace and did not conflict with the League Covenant, and a promise to each other to consult and cooperate. The state of defences was reviewed.

The 1937 Conference, which Mr Lyons attended in company with Mr Casey[6] and Sir Archdale Parkhill, turned out to be the last pre-war meeting between the Prime Ministers of the British Commonwealth, their last opportunity to discuss the principles of foreign policy to be applied in the international crisis that was clearly taking shape, and of examining the practical means of cooperation should that crisis give place to war. The Australian Government recognised the importance of the conference and took exceptional measures in an endeavour to draw from it that close cooperation in foreign policy and defence which it now found essential for Australian security.

In a cablegram of 18th November 1936, the United Kingdom proposed that the topics at the conference should include a general discussion on foreign policy and a general discussion on defence. In reply the Australian Government suggested that the discussion under the heading of foreign policy should include—

(a) Review of the international situation and of British and Dominion foreign policies, including the relations and attitude of Dominion foreign policies to the British foreign policies.

(b) Policy in regard to the League of Nations especially in regard to questions arising out of the proposed reform of the Covenant embracing such questions as access to raw materials and the return of the colonies.

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[4] *Commonwealth Debates*, Vol 154, p. 25.

[5] Quotation from the Chairman's speech. *Commonwealth Parliamentary Papers* 1937, No. 80; Imperial Conference 1937, Summary of Proceedings, p. 10.

[6] Rt Hon R. G. Casey, CH, DSO, MC. (1st AIF: GSO 3 1 Div 1915-17; GSO 2 Aust Corps 1918-19.) MHR 1931-40 and since 1949; Treasurer 1935-39; Min for Supply and Develop 1939-40 and 1949-50, for External Affrs since 1951. Aust Min to USA 1940-42. UK Min in ME 1942-43. Gov of Bengal 1944-46. Of Melbourne; b. Brisbane, 29 Aug 1890.

(c) Review of relations of particular countries having special significance vis-à-vis the United Kingdom or particular Dominions, e.g. Japan, Germany and the United States.

Under the heading of defence it was suggested that the discussion should cover a review of the political and strategical considerations relating to Imperial and local defence; a review of problems relating to the basis of Australian defence policy with special reference to (a) invasion, (b) raids, (c) priority of provision for defence and (d) time factor; and a consideration of the further development of the principle of Imperial cooperation in defence.

Although New Zealand had several suggestions to make regarding matters to be included in the general category of "economic questions", the Australian Government appears to have been the only Dominion to propose a close examination of the major issues of foreign policy and defence and at the same time a consideration of the means and methods of defence.

The final outcome of the preliminary exchange of views on the agenda was a United Kingdom suggestion, made in a cablegram of 3rd March 1937, on the eve of the departure of the Australians for London, that the additional subjects which had been proposed should be divided into two categories and that those subjects of a "less general or of a technical character" should be dealt with outside the conference between representatives of the Dominions interested and the particular United Kingdom authorities concerned. This procedure was followed and the Imperial Conference itself never ventured beyond the edge of those vital questions of survival which were facing the British Commonwealth and each of its members.

The importance which was placed on foreign policy and defence by Australia is also indicated by the series of papers prepared, chiefly in the Department of Defence and Department of External Affairs, for the use of the Australian delegation. The papers are especially interesting for the clear account they give of the way in which the Government's senior advisers then saw the international situation.

A memorandum on "The Foreign Situation, March 1937" was prepared by the Department of External Affairs, which had been newly organised in 1935 as a separate department, its permanent head being Lieut-Colonel Hodgson.[7] This memorandum cut right through general professions about peace, security and support for the League to the definite proposition: "Empire security demands of British foreign policy that no situation shall be allowed to arise in which Germany in the West, Japan in the Far East, and any power, such as Italy, on the main artery between the two, are simultaneously hostile".

Summarising its review of world affairs, the department found relations probably even more "strained" than at the beginning of 1936 but, searching for hope, noted as factors favourable to Great Britain and the Dominions the rearmament of Britain, the Anglo-Italian Agreement, the

[7] Lt-Col W. R. Hodgson, CMG, OBE. (1st AIF: Lt, 2 FA Bde.) Sec Dept of External Affrs, 1935-45. Aust Min to France 1945-48, Ambassador 1948-50. B. Kingston, Vic, 22 May 1892.

closer cooperation of Britain and France, the success of France in "drawing Poland back towards her or at least to some extent away from the orbit of Germany", the Anglo-Egyptian Treaty and the "satisfactory conclusion" of the Montreux Conference, while in the Far East it found that "despite the recent German-Japanese *rapprochement,* there are signs that Japan, like Italy, does not desire to substitute German to the exclusion of British friendship and would be glad of a closer understanding with Great Britain". Nevertheless the general situation was seen as "very tense" and, prophesying events still a year away, the memorandum said that the German "move against Czechoslovakia, when it comes, is likely to be serious".

Looking at the world situation in this way and recognising that the danger of war anywhere in the world was, at that moment of time, primarily a danger of German action in Europe, the departmental advisers saw the chances of peace largely dependent on a wise British foreign policy backed by an increase in British military strength.

The departmental paper revealed stronger hope for averting war by diplomatic measures in the Far East than in Europe. On 6th March, following the fall of the Hirota Government at the end of January, and the formation of a Government under General Hayashi, after the Army had refused to supply a Minister for War for a Cabinet under General Ugaki, the Australian Government had despatched a cablegram to the United Kingdom Government stressing the desirability, from Australia's point of view, of better relations between Great Britain and Japan, and the need for a definite understanding, perhaps in general terms on the model of the recent Anglo-Italian Pact. Australia expressed the hope that, should the present political situation in Japan not jeopardise the favourable atmosphere, no opportunity would be lost of pursuing the matter for a mutually satisfactory conclusion.

The picture of the Far East which the department presented in its memorandum (dated 10th March) to the Imperial Conference delegation was:

> A year ago in reviewing the world situation one could hardly have failed to stress the desirability of a policy of accommodation and neighbourliness with Japan, while at the same time admitting the difficulties in the way though these were less serious than in the case of an agreement with Germany. The past twelve months have been by no means wholly satisfactory so far as the Japanese situation is concerned.
>
> In the first place Japan withdrew from the London Naval Conference in February and has not acceded to the 1936 London Naval Treaty. This agreement replaced the Washington and 1930 London Treaties which expired on December 31, but is an inadequate substitute.
>
> Secondly, Japan remains silent on the question of the maintenance of the status quo with regard to fortifications in the Pacific, hitherto secured by Article 19 of the Washington Treaties, which it was hoped to save from the wreck.
>
> Thirdly, Japan, like Italy, has recently cooperated with Germany in concluding an agreement, allegedly against Communism.
>
> Fourthly, there have been unpleasant incidents such as the ill-treatment of British sailors at Keelung in Formosa.
>
> Fifthly, the campaign in Japan for the "southward advance" policy.

Perhaps the most hopeful sign in recent months is the initiative of the Japanese Ambassador in London with regard to an Anglo-Japanese Agreement. Though feeling was somewhat frosted by the Keelung Incident the British Government apparently does not intend to let it affect relations generally. The negotiation of an Anglo-Japanese Agreement is perhaps even more of a major consideration for Australia than the securing of an agreement with Germany. In each case unfortunately there is the query, having regard to the form of control, as to whether there is reasonable hope of the Government, as at present constituted, keeping the Agreement. In the case of Japan, too, as with Germany, the internal economic condition is a factor which Great Britain must take into close account and can possibly turn to her advantage.

The British Foreign Secretary on January 18 1937 handed the Japanese Ambassador in London an aide mémoire setting out the preliminary observations in the reply of the British Government.

A *rapprochement* with Japan appears to have been the core of Australian views on a Far Eastern policy at this stage, although, as will be seen below, the danger of attack from Japan was considered so great in some quarters that the hope for an agreement was, in part, a hope of gaining time. A brief section on China in the memorandum reveals no sense of common cause there and a section on the United States shows no hope of aid. "Little has occurred in recent months to alter the view that the United States remains at heart isolationist."

The final observation was that close cooperation between the members of the British Commonwealth of Nations remained a major interest of Great Britain and of Australia in international affairs, but it was then recorded as a matter of fact that there were recent indications that this might not always be a major interest with Canada.

The papers prepared in the Defence Department for the Australian delegation and approved by the ministerial members of the Defence Council contained a comprehensive and coherent case for closer cooperation in Imperial defence. The first set of papers dealt with questions relating to "the basis of Empire and Australian defence policy", inquiring into such matters as the underlying political and strategical considerations which would shape both Imperial and local defence measures and into the particular problems of Australian defence and the Australian share in a cooperative plan. The second set considered questions relating to the individual Australian services. The third dealt with general matters such as the Australian governmental machinery for the higher direction of war, civil air communications, the strategic importance of the Pacific Islands and strategic cable communications. The eighteen papers, which form a model of a dossier to be placed in the hands of a delegation, give, perhaps more clearly than might otherwise be gained, the Australian governmental approach to defence at the beginning of 1937, even although there had been no occasion to submit the papers for specific approval by Cabinet.

While this prepared case brought an Australian point of view to bear strongly on the question, it has to be recognised that ever since 1923 the shaping of an Australian view had been very considerably influenced by the views held in London. The application of the 1923 resolutions meant that Australian thinking on defence revolved around Imperial cooperation

and, in lack of any other sun, the zealous Australian official traced his orbit around the Imperial Defence Committee, an advisory and consultative body created by the British Government but also furnishing its reports to Dominion Governments and occasionally arranging for *ad hoc* discussions with Dominion ministers or officials, although in no way removing from the Dominion Government its sole responsibility for the defence of its Dominion. If, however, the Australian delegation now carried back to London some of the ideas that had originally come out of London in the papers prepared by the Committee of Imperial Defence, that was because Australian service ministers had deliberately accepted them into the body of Australian defence policy.

On the suggestion of Australia, "the further development of the principles of Imperial cooperation laid down by previous Imperial Conferences" had been made an item of the conference agenda and now Australia was trying to move towards the preparation of plans to serve this end. It was considered that she had a special role in this regard. "It is known that since the Statute of Westminster", the Minister for Defence, Sir Archdale Parkhill, wrote in a letter forwarding the papers to his colleague, Mr Casey, "the United Kingdom Government is reluctant to *originate* any proposal for Imperial consultation, and prefers the initiative to come from the Dominions. Empire cooperation is particularly vital to Australia and New Zealand, in view of the need for an impregnable Singapore and the despatch of part of the main British fleet thereto in war. It is felt that the Commonwealth should give a lead in this matter, as the part we are playing in Empire naval defence qualifies us to speak with candour". Alluding to an Australian proposal for the preparation of plans for common defence, he continued: "An adequate safeguard is inserted that the preparation of plans does not involve a commitment by one member to another in any shape or form, or limit the sovereign control of its policy by any member. I think in this form it would receive wide endorsement by the Australian people, and, in view of the reservation mentioned, it would be difficult for the opponents of Empire cooperation to criticise it. As the proposal has not received Cabinet consideration, I would commend it to your careful study".

The first paper of the series said that the experience of the League had demonstrated that something more than the Covenant and the League machinery was required for the maintenance of peace and, with the withdrawal of Japan and Germany, the ending of Italian cooperation and the absence of the United States of America it was manifest that the collective security system lacked that universality that was essential for its full effectiveness. If Britain had been stronger the League might not have been defied. The paper continues:

> The recent accord between Germany, Italy and Japan indicates a grouping which it is the aim of British foreign policy to prevent from being cemented into a military alliance which might prove hostile to the Empire in a crisis. Conversely, it is equally vital to world security that the democratic and peace-loving nations which are still loyal to the ideals of the League and bent on the maintenance of peace, should be strongly held together. This group would form the nucleus which would

continue to sponsor the ideals of the League until the ex-members realise that their best interests are served by international cooperation and return to a reformed collective system. This result will apparently only be achieved when it is evident that the peaceful states have the strength and power to maintain peace. The power and influence of the peaceful group of nations remaining in the League depend in particular on the strength of the British Empire and its capacity and willingness to play its full part in maintaining peace. The Empire's sword must be of sufficient weight to tip the scales in favour of peace, whilst its policy must still continue to express and seek the ideals of the Covenant.

Taking this view, the Australian defence authorities welcomed the British rearmament which had been "reluctantly" announced on 11th March 1935, and found that it "confirmed the foresight of the Commonwealth Government which provided as far back as 1933-34 for a large increase in the defence vote as the first step towards the continuous development of an effective policy".

Passing to consider the "general strategical aspect", the paper noted the statement on British commitments made by Mr Eden in his Leamington speech of 20th November 1936, and added the observation that the plans of the services in the United Kingdom were based on the three major groups of commitments: European commitments, the defence of India, and the defence of British possessions in the Far East. It was the third of these in which Australia wanted to ask questions at the Imperial Conference. Australia wanted a clear understanding of the aims of British policy. What were the guiding considerations in British policy for the realisation of the aim of permanent friendship with Japan? What was their relation to the maintenance of British interests in China in view of Japan's penetration in Asia and her claim to a special position in the Far East—a claim which amounted to the dictation of the conditions under which she would cooperate in Chinese or Pacific questions? Was the present policy of accommodation to Japan a temporary one pending the strengthening of British defences, and did the United Kingdom Government propose to stiffen its attitude when its rearmament was complete? Was the United Kingdom Government prepared to go to war in the defence of its interests in China and Hong Kong? In the opinion of the United Kingdom Government, was the maintenance of the integrity of the Netherlands East Indies vital to the security of Singapore and the scheme of defence of Empire interests that hinged on this base? To what degree was British policy in harmony with that of the United States on matters relating to Asia and the Pacific region generally? If a firm stand was taken, to what extent could the United States be relied on for cooperation in view of the general American attitude of isolation from the League even where they might have special interests, as in the Sino-Japanese dispute in 1932-33, in view of their desire to maintain neutrality as indicated by the recent legislation by Congress, and in view of the independent attitude revealed by their unwillingness to renew Article XIX of the Washington Treaty?

This was the sort of thing that the Australian delegation wanted the representatives of the United Kingdom and the sister Dominions to talk

about. Moreover, after having looked at the British and Japanese military position in the Pacific and having reviewed what it knew about the views of the United Kingdom Chiefs of Staff on the strategical situation there, it wanted to know "in explicit terms" what was the aim of Empire forces.

The starting point of Australian defence thinking was the declared view of the Commonwealth Government that Australian defence was inseparably bound up with Empire defence, and the plans for Australian security were inseparable from the plans for the security of the Empire as a whole. Added to that was the belief, based on a review of existing strength, that under present circumstances, a "defensive attitude" in the Pacific would be a strategic necessity in the case of conflict with Japan and another Power and would also be a strategic necessity during the early stages of a war with Japan alone. The first and most vital consideration in the Pacific would therefore seem to be the protection of Empire communications. Another vital matter was the prevention of enemy control of Borneo, Netherlands East Indies, and New Guinea as such control would ultimately threaten Australia and New Zealand. The Australian Naval Board suggested that the British strategical object would therefore appear to include control of the western Pacific as far north as latitude 10° north in order to protect Empire communications and possessions in that area.

Both in politics and strategy, Australia urged, the other Dominions had interests in the Pacific. In politics it believed that Canada, Australia and New Zealand were "in a unique position to fulfil a special mission of seeking to draw closer the bonds of friendship between the Great Powers bordering the shores of the Pacific Ocean". In defence, Australia believed that, while Australia, New Zealand and India had a more direct concern in a conflict with Japan because of their geographical position, "all the Dominions are interested in the security of their seaborne trade, which would be open to Japanese attack, while it will be apparent if Japan is in a position to carry out a major military operation against any of the former countries, the British Commonwealth will have lost either its military strength or its cohesion of common interest to an extent which makes *any* part of it an easy prey to *any* aggressive power".

Incidentally, and lying a little apart from the main case for consultation on policy and strategy, the paper also set out in its concluding section the view held regarding the role of Australia in a war in the Far East:

> As already indicated (the paragraph said—and this is the point of departure from the main theme—) the Royal Australian Navy is maintained as the Commonwealth's share in Empire naval defence, the vessels undertaking the responsibility of trade protection in the Australian region at the outset of a Far Eastern war, but, subject to the approval of the Government, they would be available at a later stage for employment in other seas should strategical considerations indicate the desirability of this course. Also, the Australian Army and Air Force are in the first place the instruments of local defence, but the possibility of their employment in a wider capacity has not been overlooked in their organisation and equipment. The Commonwealth has established government munitions factories for various types of munitions and its primary and secondary industries are also potential sources of ready supply in a war in the Pacific. Finally, the suitable natural conditions in the

Commonwealth for civil aviation, the development that is proceeding, and the establishment of the aircraft industry, hold out possibilities that Australia may be peculiarly fitted to contribute air strength to the defence of British interests in this region.

At the Imperial Conference, the Australian delegation would seek a definition of the strategical objects of Empire forces, either in a war against Japan only or in a war against Japan and another first class power, in order that this information might be related to the plans of the Australian forces in particular and those of other Empire forces and resources likely to be available for the defence of the interests of the members of the British Commonwealth.

In the second paper a case was made out for considering the "further development" of those principles of Imperial cooperation in defence which had been adopted at the 1923 Conference and reaffirmed and added to at the 1926 Conference. Details were given of what Australia had done itself to implement these principles and the cooperation of the United Kingdom was acknowledged with "gratitude". The paper then stressed the advantages of Empire cooperation in defence:

1. The strength of any member is the strength of the British Commonwealth if its cause is just and commands the confidence of its co-partners. A manifestation of solidarity is of itself a deterrent to aggression.
2. No Dominion is capable of providing absolutely for its security by its own efforts alone. Cooperation is therefore the most economical basis.
3. The international specialisation of trade has led to economic inter-dependence of countries. The economic development of the British Commonwealth is proceeding on the basis of fostering mutual trade between its members. The loss of trade with even one Dominion would react to the disadvantage of the whole. Security is, therefore, important for economic reasons alone.
4. Mutual help does not, therefore, consist solely of aid to the partner in need of succour. It is also self-interest and self-preservation, because "united we stand—divided we fall".

Furthermore, it was argued, after allusion to the failure to apply League sanctions against Italy, members of the British Empire in cooperating in defence would serve not only their own ends but make a world contribution to the cause of peace. In view of the pacific intentions of the British Commonwealth, cooperation for the defence of their individual and common interests was also collective cooperation within the framework of the Covenant for the defence of the ideals of the League. "The margins of the security of the British Commonwealth may be said to coincide with those of international peace and security under the Covenant."

The main and significant part of this second paper, however, is the definite proposal drafted in the name of the Commonwealth Government —the proposal which Parkhill asked Casey to study carefully because Cabinet had not considered it[8]—for the preparation of plans for common defence. The proposal was drafted in the form of a resolution as follows:

The establishment of peace on a permanent footing is declared to be the aim of Members of the British Commonwealth of Nations.

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[8] See p. 59 above.

Unswerving support of the League of Nations, which is regarded as essential machinery for promoting the preservation of peace by facilitating and regularising the means of international cooperation, is reaffirmed.

The margins of the security of the British Commonwealth or its members may accordingly be said to coincide with those of international peace and security under the Covenant.

In order, therefore, that Members of the British Commonwealth of Nations may be aware of what they are required to provide for Local Defence, its expansion in war, and for the assistance they may be prepared to extend to any other Member or Members of the British Commonwealth, it is a matter of mutual arrangement between any such Members, in accordance with the resolution of the Imperial Conference of 1923, which invites consultations on all matters of mutual defence, to prepare plans for their common defence.

The guiding principles to be observed in the preparation of such plans would be as follows:

(a) The expansion by each part of the British Commonwealth of its resources for its own security, the plan being correlated with the cooperation that would be forthcoming from the other parts.
(b) Expansion by each part of the British Commonwealth of its resources in two steps of assistance to the other parts of the Commonwealth concerned—firstly, the aid which can immediately be rendered from the existing forces organised for security, and of which the strategical situation in its own sphere permits the release; secondly, the additional aid which should be developed on the basis of the requirements of the situation and the specialised capacities of the part of the Commonwealth for a particular contribution.
(c) The plans may cover all or any of the naval, military, air, munitions, financial and economic aspects of the problem.
(d) The plans would cover the main probabilities of the world situation in regard to the defence of the Member concerned.
(e) If the situation in any case warrants it, owing to the fact that delay in developing the necessary power through lack of organisation may be perilous, the necessary organisation would be established in peace in addition to the other forces indicated for security.

It was intended that any such plans should be prepared in collaboration with the Committee of Imperial Defence the membership of which should, when the plans were under discussion, include a representative of the Dominion or Dominions concerned. This would be in accordance with a resolution of the Imperial Conference of 1911. The preparation of any such plans would not involve a commitment by one member to another in any shape or form or limit the sovereign control of its policy by any member.

Turning from these fundamental and preliminary questions, the third, fourth and fifth papers discussed the basis of the Australian defence policy to be developed in conformity with and in order to serve the purpose of local and Imperial defence. To a large extent these expose the differences in point of view within the services in Australia regarding the manner in which a general policy, on which all were in agreement, should be applied. The reference of these questions to the Imperial Conference was intended to obtain discussion and advice on such questions as the priority to be given to various defence projects. It was known that the United Kingdom Government was working on plans for the completion by 1939 of its defences against any risk from Germany, and that the British position

in the Far East vis-à-vis Japan would be "unsatisfactory" until 1942, owing to the time required for new naval construction. To paraphrase the technical language of the papers, the question was how much time was left, what were the most acute and immediate dangers, what was the danger of raids on Australia or invasion of Australia and what was the best method of defence against raids or invasion. The Australian Government was about to enter on a second three-year programme of rearmament and had deferred decision on some aspects of the new programme until the Imperial Conference discussions had shed some light on the problems.

Paper No. 3 summarised the "risks to which our interests are liable and the defence necessary in each case" as follows:

I. Naval forces are the defence against attack on our seaborne trade, and they require defended bases and facilities for repair and fuel. Aircraft are required for cooperation, and the Army is responsible for the land defence of the bases.

II. The first line of defence against invasion of our territory is seapower. An invader, when nearing our shores or landing, is particularly vulnerable to air attack, and should he land, our Army and Air Force exist to repel him.

III. The defence against raids on our coastal centres is:

(a) Artillery and anti-aircraft artillery defences and garrisons.
(b) Military forces sufficient to deal with landing parties where such operations are feasible.
(c) Aircraft for cooperation.

IV. Behind our defence forces must exist:

Adequate reserves of munitions;
Establishments for the local production of special types of munitions not produced by industry;
An aircraft industry;
A plan for the organisation of industry for the supply of the services in time of war;
A plan for the organisation of the resources of civil aviation as an adjunct to air defence.

An Australian policy based on such an estimate of what was necessary would call for a navy which could make an effective contribution to Empire naval strength; a field army of seven divisions (these, it was claimed, already existed in skeleton form); an air force for army cooperation and independent activity; artillery and anti-aircraft defences and garrisons; and a munitions and supply organisation. Which should come first? It will be remembered that the defences of Australia had been reduced during the depression to a frail body of skin and bone. Having regard to the probable dangers, were some phases of rearmament more urgent than others? The Government had directed that in the expenditure of the vote priority of provision for local defence was to be given to defence against raids and these directions were later amplified, for the guidance of the

Military Board, by instructions that preference was to be given to coast defences but some provision was to be made for anti-aircraft defence, mechanisation and modernisation of equipment. Expenditure on items other than coast defence was to be restricted to requirements for troops to support and protect the coast defences. No attempt was to be made to complete requirements of the full field army of seven divisions but the army should concentrate on the rearmament of fixed defences and the strengthening of formations allotted for support of the fixed defences and units whose function was to deal with raids by landing parties.

Looking in greater detail at the problem of defence against invasion the fourth paper in the series examined the naval construction programme of Great Britain and the work on the Singapore naval base, and asked that Australia might be furnished with a "strategical appreciation of the danger to Australia of invasion and the defence against same; in the light of the naval situation and the security of the Singapore naval base and the line of communications thereto, (a) for the period up to 1942 and (b) after 1942". It was also desired to know "whether, in certain circumstances (the reasonable probability of which might be indicated) it would be possible for Japan to undertake major military operations with an object and on a scale amounting to invasion against Australia. The probable form and scale of such an attack might be stated. It is also desired to know the probable period of warning that might be available for completing preparations for defence after the first obvious indication of a threat of war". The Government also asked for advice on the best means of contributing to Empire and local defence during the critical period up to 1942, the alternatives which appeared to the Government being: (a) an increase in the strength of the R.A.N. Squadron; (b) a blending of Empire naval defence and local defence on the lines of the present policy; or (c) predominantly providing for local defence.

Similar requests for advice, relating chiefly to the Australian scheme of coast defences, were raised in the fifth paper in respect of raids on the Australian coast. A supplementary paper dealt more particularly with the development of Darwin as a naval operational, fuelling and repair base.

The Australian proposal for Empire defence planning had included plans for munitions, and in the sixth paper the possible use of Australia as a source of supply, particularly in a Far Eastern war, was further examined and it was suggested that the plans might include "a summary of the potentialities of the Commonwealth as a source of supply, particularly in a war in the Far East, and the directions and means by which its manufacturing resources could be increased to produce munitions in a time of Empire emergency". The Naval Board also asked for an estimate of the requirements from Australia, during the first twelve months of war, of naval and naval armament stores.

Subsequent papers developed in greater detail matters relating to the individual Australian services, such as what type of squadron should be developed for the Australian navy, the erection of strategical wireless stations in Australia, the system of higher command that should be

adopted for the army and air force in the event of war in Australia, the organisation and equipment of the air force and the manufacture of aircraft in Australia.

The whole series of papers revealed purposefulness in Australian defence planning. Accepting Empire cooperation in defence as the starting point, the Australian defence authorities were trying on the one hand to obtain common planning for the Empire and on the other hand to ensure that local planning for Australian defence would be effective in meeting local dangers and complementary to measures taken in other parts of the British Commonwealth.

Incidentally the papers revealed that already a considerable exchange of ideas and information was taking place among the services through the Committee of Imperial Defence. The Australians received and noted and in some few cases critically commented on papers prepared for the committee. Perhaps in the past the critical examination was not so frequent or so thorough as some might have wished but the care with which the case for the Imperial Conference was prepared reveals that on this occasion there had been a close study of and a sharp inquisitiveness about United Kingdom proposals. There was no direct evidence but an occasional hint that, in part, the case which Australia sent to London might be forcing issues which London would be glad to have forced, and that Australia was saying what some members of the Committee of Imperial Defence might have wished they were free to say themselves. As Parkhill had written, the United Kingdom preferred the initiative to come from the Dominions. The influence of the visit of Sir Maurice Hankey[9] to Australia in 1934 and of United Kingdom planning papers was apparent here and there. This was natural and only to be expected. Two Governments having a common interest and a common purpose decide to cooperate. Part of that cooperation is an exchange of views and information and this exchange, added to the fact that their ultimate end is the same, may easily make the voice of one often seem to echo the other.

At the same time as Australian thought was moving towards reliance on diplomatic negotiations backed by rearmament, it was also re-examining the collective security system of the League of Nations. The discussion of the reform of the Covenant at the 1937 Imperial Conference, at the instance of Australia, was the outcome of discussions initiated within the League itself during the Italo-Abyssinian dispute. In July 1936, the League Assembly recommended the Council to invite the governments of members to send to the Secretary-General before 1st September any proposals they might wish to make on the application of the principles of the Covenant. In due course the United Kingdom communicated to Australia the proposals it would make. A sub-committee of the Australian Cabinet was appointed and, after considering these and other documents, reached conclusions in accord with the British proposals for the abolition of the

[9] Col Rt Hon Lord Hankey, GCB, GCMG, GCVO. Sec Cttee of Imp Defence 1912-38, and Cabinet 1919-38, and Clerk of Privy Council 1923-38. Min without portfolio 1939-40, Paymaster-General 1941-42. B. 1 Apr 1877.

unanimity rule, the formation of regional pacts, consistent with the Covenant, to strengthen general security (e.g. a Western European pact for the United Kingdom) and the finding of means of encouraging resort to Article XIX (revision of treaties). They also supported British suggestions for a League inquiry into the subject of raw materials and the severance of the Covenant from the Peace Treaties. Beyond this, the Cabinet sub-committee thought that financial and economic sanctions should be made automatic upon a declaration by the League Council that a member state was an aggressor, these sanctions being (a) prohibition of export of arms and munitions of war of all descriptions, (b) prohibition of export of raw materials used for military operations and manufacture of war material including metals and oil, (c) refusal of all loans and credit facilities, (d) prohibition of all imports from the aggressor state. The sub-committee suggested that as an alternative to (a) and (b) there might be a prohibition of all exports to the aggressor state. Because of the difficulty that might arise over the implementing by a government of obligations when it had had no say in their acceptance, the sub-committee recommended the incorporation into the Covenant of No. 4 of the interpretative resolutions of the 1921 Assembly which were framed as rules for guidance as to how the obligations of states under Article XVI were to be implemented. This read as follows:

> It is the duty of each member of the League to decide for itself whether a breach of the Covenant has been committed. The fulfilment of their duties under *Article XVI* is required from members of the League by the express terms of the Covenant, and they cannot neglect them without breach of their treaty obligations.

In considering the British proposal regarding regional pacts the sub-committee laid down what became a major item of Australian policy at the 1937 Imperial Conference:

> With regard to the British Government's proposal for the formation of regional pacts (their report said) the Sub-committee stresses the fact that the obligation to render military assistance should arise only in respect of definite agreements by virtue of which the parties, in regions where their national interests are directly involved, agree to render mutual assistance in the event of one or more of them being attacked by an aggressor. The Sub-committee's view is that, so far as the Commonwealth is concerned, the Pacific is the area in which we are vitally concerned for the maintenance of peace. With Japan and the United States of America outside the League, a regional agreement of the particular kind contemplated would be unacceptable, but the promotion of a regional understanding and a pact of non-aggression in the spirit of the League undertakings for Pacific countries might reasonably be accepted as an objective of Australian foreign policy.

Both the sub-committee, and independent discussions in the United Kingdom which were reported to Australia after the sub-committee had started work, reached the conclusion that an attempt should be made to consult with non-member states about the amendment of the Covenant so that they might state their views. If unanimity could be obtained, there would then be a reasonable chance of advancing towards universal membership of the League.

In pursuance of this Cabinet decision, the Australian representative, Mr Bruce, spoke at the 17th Assembly of the League on 29th September 1936, on reform of the Covenant and, on the same day, the Attorney-General, Mr Menzies,[1] outlined the proposals to the House of Representatives.

Among the reasons for Cabinet's activity in this matter was the belief in the value of the League to the cohesion of the British Commonwealth. Mr Menzies referred to this in his speech of 29th September and the words he used were repeated with some variations in a slightly fuller statement in an official memorandum prepared for delegates to the 1937 Imperial Conference. Having noted that a policy or course of action in British foreign relations was not always acceptable to individual Dominions the memorandum paraphrased Menzies as follows:

> The future cohesion of the Empire would in a large measure depend upon the extent to which British foreign policy could command the confidence and the support of the Dominions. If that policy were based purely on European considerations, then the Dominions might well be unwilling to cooperate. Fortunately, the League of Nations and the principles enshrined in the Covenant provided a focal point for a common Empire policy, and of recent years the declared policy of Great Britain and the Dominions had been based on League principles centred round the ideas of collective action, arbitration, conciliation and peace. These principles, world-wide in their scope, lessened the chance of any disruption and facilitated a consistent and unified Empire foreign policy.

The paper then went on to comment that probably Great Britain and the Dominions relied unduly on the universality of acceptance of these provisions and particularly on the disarmament provisions of the Covenant. The League had failed in the Italo-Abyssinian case either to settle a dispute peacefully or to bring hostilities to an end. "As a consequence, if the foreign policy of Great Britain, of the Dominions and, in fact, of most of the small countries is to continue to be based on the principles of the League, an examination of the whole League system of collective security is imperative."

When the Prime Minister, Mr Lyons, came to deliver his opening speech to the Imperial Conference this particular kind of hope in the League was slipping further into the historical past and he spoke not so much of the reform of the League as of a reconsideration of its position in the world. He repeated the phrase about the principles of the League having constituted a focal point for a common Empire policy and added:

> Unhappily the experience of the last four years has shown the impracticability, under present conditions, of achieving to the full the great ideals which we embodied in the Covenant. The Australian Government, therefore, is of the opinion that an examination of the bases of the British Commonwealth foreign policy and of the position of the League should be one of the major considerations of this Conference with a view to the formulation of a consistent and unified Empire policy.

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[1] Rt Hon R. G. Menzies, CH. MLC Vic 1928-29; MLA Vic 1929-34; Att-Gen, Min for Rlys and Dep Premier 1932-34. MHR since 1934; Att-Gen 1935-39; Treasurer 1939-40; Prime Minister and Min for Defence Co-ordn 1939-41; Prime Minister since 1949. Barrister-at-law; of Melbourne and Ballarat, Vic; b. Jeparit, Vic, 20 Dec 1894.

The information before the Imperial Conference showed that, whatever may have been the prospects of League reform from July to September 1936, the hope of agreement was slight. There was divergence of opinion among members of the League and among members of the British Commonwealth. Below the conflict of suggestions there was one fundamental difference that would probably be unbridgeable. On the one hand were states which considered that the Covenant should be used as a means of strengthening the organisation of the existing members for resistance against aggression; on the other were those states which, looking for universality of membership, considered that everything possible should be done to facilitate the entry or re-entry into the League of non-member states, including the dictator states.

The suggestion for a pact of non-aggression in the Pacific which was made by the Cabinet sub-committee in September 1936, incidental to its work on proposals for the reform of the Covenant of the League, had been first made public in statements by the Minister for External Affairs, Sir George Pearce, in the Senate and by the Attorney-General, Mr Menzies, in the House of Representatives on 29th September when discussing the League Covenant. In March 1937, commenting on the conversations with the United Kingdom initiated in the previous November by the Japanese Ambassador, Australia urged on the United Kingdom the desirability of seeking a general understanding with Japan,[2] but there would appear to have been no direct response. Mr Lyons, in his opening speech to the Imperial Conference on 22nd May, used almost identical language to that used by Pearce and Menzies in stating that the Commonwealth would welcome a regional pact for the Pacific area and would be ready to work in conjunction with other powers to achieve this object. The time and place in which he spoke attracted to his words much more attention than had been previously aroused and the suggestion gained further favourable public notice when he alluded to it in a speech on 8th June at a luncheon of the Foreign Press Association. Elaborating the suggestion, at the invitation of the Imperial Conference, the Australian delegation submitted a memorandum, in which, while hesitating to lay down the form which such a pact might take, it disclosed a certain cloudiness in its own ideas of the possibilities. The main points which emerged were that the pact might be accepted by all countries of the Pacific, that it might be along the lines of the Four-Power Treaty of 1922, but not limited to the insular possessions, and thus contain an agreement to respect each other's rights in the Far East and Pacific and, if controversy arose, to seek an adjustment by conference, and to consult with each other if their rights were threatened by aggression. Further than this, Australia thought that the pact might embrace a general declaration of economic and cultural collaboration, a guarantee of non-aggression and respect for each other's sovereignty; and a reiteration of the principle of the Paris Pact to the effect that war was renounced by the parties as an instrument of national policy.[3] Besides

[2] See p. 57 above.
[3] Imperial Conference, 1937, Document E (37) 29.

the advocacy of these suggestions in the conference, Lyons also had personal conversations in London with the Ambassadors of the Soviet Union, China, France, the Netherlands, the United States and Japan. Both from the conference and the ambassadors he found for himself encouragement and hope for a sympathetic response.

The conference referred the Australian memorandum to a committee for examination and, after receiving its report, agreed on the desirability of the objective outlined by Australia. The public announcement issued after the conference said as much and promised that there would be further consultations between the Governments on the subject. Some tentative soundings did take place but this belated attempt to apply in the Pacific the regional method that was already proving unsure in Europe was doomed by events before the end of the year. When Lyons reported to Parliament on the project, Curtin wished it luck but dryly observed that the proposal did not seem to fit in with the Government's trade diversion policy of the previous year, which had been directed against Japan and the United States, and that it also seemed paradoxical that at a time when Great Britain felt impelled to rearm because pacts and treaties were unstable guarantees, another pact should be put forward as a method of ensuring better conditions in the Pacific. In September Menzies informed the House that "the Sino-Japanese dispute has inevitably led to the suspension of conversations for the time being".

Other questions which the Australian Government wished to have raised at the Imperial Conference and on which they prepared papers for their delegation included cooperation in munitions and supply and problems related to the higher direction of the war, including a statement that it would be "necessary to provide for representation in the Imperial War Cabinet to enable the voice of Australia to be heard on Imperial War Policy".[4]

They would have liked to work out plans for wartime Empire cooperation in detail. In this the Australian Government showed a prevision of a need that was fully realised when war came. They also identified in advance some of those problems which were eventually tackled in wartime discussions on the Empire Air Training Scheme, coordinated munitions production, the Eastern Group Supply Council, procurement and assignment machinery and representation in the British War Cabinet.

In the foregoing review of the preparations made by the Australian delegation for the Imperial Conference of 1937, the intention has been to illustrate the stage which had been reached in Australian governmental thinking on the world situation, defence, collective security and the Far East. No attempt can be made to give an account of the conference itself for such an account would require reference to records which are not yet public and which concern governments other than the Australian Government. In brief, what happened to the Australian suggestions and proposals was that some general discussion took place in the conference, and that,

[4] Imperial Conference 1937, Australian Delegation Paper No. 15.

outside the conference, there was more detailed discussion between Australian representatives and United Kingdom service and departmental representatives. In neither case did the Australian delegation obtain the answers to the full range of questions which the Australian papers had raised, nor did they achieve the marked results in Empire-wide preparedness for an emergency and, in particular, in Empire measures for peace and security in the Far East for which Australia was seeking.

In his account to Parliament of the work of the conference, Lyons spoke both of those results which, strictly speaking, belonged to the Imperial Conference and those which came from British and Australian consultations. It was natural that he should do so for the Imperial Conference alone could not advance far towards practical measures because some of its members, particularly the Canadian Prime Minister, insisted that the functions of an Imperial Conference were limited to discussion and review.

Regarding the work of the conference, Lyons said: "The 1926 Imperial Conference was noted for its definition of the constitutional relationships of the members of the British Commonwealth. The 1937 Conference will be remembered as that at which were defined the principles for which the British Commonwealth stands in the field of international relations and conduct".[5] The Prime Minister summarised these "general propositions" as follows:

1. That they are agreed that for each member of the British Commonwealth the first objective is the preservation of peace.

2. The settlement of differences between nations and the adjustment of national needs should be sought by methods of cooperation, joint inquiry and conciliation, and not by resort to force.

3. Basing their policies upon the aims and ideals of the League of Nations, they declare that their respective armaments will never be used for purposes of aggression or for any purpose inconsistent with the Covenant of the League of Nations or the Pact of Paris.

4. They welcome all agreements of friendship and collaboration between members of the British Commonwealth and other interested States in respect of regions in which a number of States have special interests, insofar as they can be made to contribute to the cause of peace and do not conflict with the Covenant of the League of Nations.

5. They desire earnestly to see as wide a measure of disarmament as can be obtained. At the same time they agree that their respective governments are bound to adopt such measures of defence as are deemed essential for their security, and for the fulfilment of their respective international obligations.

6. They declare their intention of continuing to consult and cooperate with one another in the cause of peace, and in all other matters of common interest.

7. They consider that the revival of confidence and the increase of the stability of the economic and financial conditions of the world are essential to the prosperity of individual countries as well as to international peace. To this end they declare themselves ready to cooperate with other nations in examining current difficulties, including trade barriers and other obstacles to the increase of international trade and the improvement of the general standard of living.

8. While themselves firmly attached to the principles of democracy and to parliamentary forms of government, they register the view that differences of political

[5] *Commonwealth Debates*, Vol 154, p. 23.

creed should be no obstacle to friendly relations between governments and countries, and that nothing would be more damaging to the hopes of international appeasement than the division, real or apparent, of the world into opposing groups.[6]

The Prime Minister professed to find this manifesto "wholly satisfactory" and the Leader of the Opposition accepted it as "reasonable and clear", adding that Australia subscribed to the principles "no less than does any other sister Dominion or the people of the United Kingdom itself".[7]

The conference also agreed that the defences of the several parts of the British Commonwealth should be strengthened in conformity with the guiding principle of the conferences of 1923 and 1926. These principles were extended by the conference to provide for the decentralisation of the production of munitions so as to diminish, as far as practicable, the dependence of the Dominions on the United Kingdom and to provide for the extension of overseas resources in time of emergency. The United Kingdom was also interested in ensuring supplies, especially of food, from overseas, and this raised questions of shipping, storage and insurance as well as the terms of purchase. From 1937 these questions received increasing attention.[8]

The 1937 report, in reaffirming the established principles, stressed the sole responsibility of each of the several parliaments of the British Commonwealth to decide the nature and scope of its own defence policy. In keeping with this responsibility, the Prime Minister reported on consultations with the United Kingdom Government to shape "a defence policy which the Government considers essential for the security of Australia, and which has been endorsed by its own expert advisers and by the Government of the United Kingdom and its advisers".[9]

Rearmament in concert with the United Kingdom, both for Australian security and for the sake of Imperial diplomacy, had been commenced by the Australian Government before the 1937 talks and the experience at the conference strengthened their faith in their plans. The general elections of October 1937 confirmed the Lyons Government in office and were interpreted as having endorsed their defence policy. From that point onwards there could not be the least doubt that in foreign policy and defence Australia would seek to maintain an identity of interest and mutual support with Great Britain. Australian survival would be inseparable from the survival of the British Commonwealth of Nations. The answer to the new perils of the world was, so far as the Australian Government was concerned, to hold to the policy of 1923. Events were rising to a crisis in which the thoroughness of the understanding and the strength of the Empire would be tested. Munich would bring the Dominions face to face, not with a constitutional problem or a question of status and function, but with the necessity for major political decisions.

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[6] *Commonwealth Debates,* Vol 154, p. 23.

[7] *Commonwealth Debates,* Vol 154, p. 102.

[8] See a fuller treatment of this subject in S. J. Butlin, *War Economy* 1939-42, in this series. See also Chapter 3, Section 4, of the present volume.

[9] *Commonwealth Debates,* Vol. 154, p. 28.

Before considering that crisis, however, it will be necessary to trace more carefully the progress of Australian rearmament and the political stress and diversity of views that surrounded it, for there were considerable sections of opinion in Australia which doubted whether the policy of 1923 met Australia's existing needs.

The Government's measures for rearmament were carried through in face of considerable opposition. On completion of the three-year programme inaugurated in 1933-34 the Lyons Government announced a new programme based on the decisions of the Imperial Conference and the discussions with the United Kingdom Government. The expenditure under the first three-year programme had averaged £7,200,000 a year. This programme had provided for the building of a six-inch cruiser and some smaller vessels, the rearming of the fixed defences of Sydney, Newcastle, Brisbane and Fremantle, the improving of the equipment of the military forces which, however, remained at an establishment of only 35,000, an increase in the strength of the air force and an enlargement of ordnance and ammunition factories. The comparative neglect of the military forces and the growing claims of the air force had been made the grounds for criticism from within the Government ranks as well as by the Opposition, and in the new programme the air force was favoured, its vote for 1937-38 being £1,600,000 more than the average of the previous three years. Whereas in the previous years the navy had received roughly 43 per cent, the army 32 per cent and the air force 25 per cent of the vote, the allocation in the 1937-38 Estimates was roughly 36, 34 and 30 per cent.[1]

The new three-year programme was fully described to Parliament in April 1938, although it incorporated the Estimates for 1937-38, providing £11,500,000 for defence, which had been introduced in August 1937 shortly before the elections and approved in December by the new Parliament. It represents the beginning of a new phase of defence preparations merging into the outbreak of war, and its details can perhaps be more conveniently examined after a consideration of the European events of 1938. Before proceeding to examine the state of Australian preparedness against the background of Munich, however, it is necessary to turn back a little to look at the way in which the ideas of the Labour Party had been shaped during the period of rearmament and how the course of international events had affected the widely diverse views held within that party.

8—LABOUR AND DEFENCE, 1933-39

The internal political strain within the Labour Party and the differences of opinion on doctrine, organisation and tactics led to disunity and loss of office when the Labour Party Government was required to meet the exceptional difficulties presented by the economic depression. During the six or seven years immediately before the outbreak of war, the conflict of ideas

[1] A concise review of the defence situation at this stage is contained in *The Round Table*, Vol XXVIII, pp. 125-134.

within the party over the whole range of political activity and the attempts that were made to reunite the various groups in the party as a prelude to making another bid for office tended to overshadow most other considerations for the Labour politician and to engage most of his wits. In attempting to find unity the party gave rather more attention to the organisational side of the problem than to the sorting out of its ideas.

As regards foreign policy and defence this state of affairs meant that there was, during a period of divided discipline, an unrestrained expression of various factional viewpoints. The reuniting of the party did not come by the assertion of one point of view over all other points of view, but by the working out of compromises so that the majority did not estrange the more significant minorities. The machine made adjustments in order to restore and maintain its authority. It was a situation in which party leaders tried to handle opposing groups rather than to confute the arguments of their members.[2]

The task of holding the party together fell largely on the shoulders of John Curtin, elected to the leadership in 1935 by a majority of only one vote over F. M. Forde.[3] The election of Curtin appears in retrospect as a decision fateful for the nation. Curtin brought to the situation a knowledge of the international dangers, keen insight into the differences of opinion within the party, a deeply-rooted belief in the value of a tightly-knit Labour party in national affairs, and a considerable political skill. It was the work of Curtin in gradually restoring coherence to the party from 1935 onwards that, perhaps more than any other single factor, prepared it for wartime responsibility.

If an attempt is made to trace the development of Curtin's own ideas on the subject signs of inconsistency will be seen on the surface. In the 1914-18 war he was an idealistic anti-conscriptionist, anti-militarist, anti-capitalist young man. In the early nineteen-twenties, as editor of the *Westralian Worker,* he was one of the more widely ranging minds of the Labour movement. At a time when his contemporary, the *Australian Worker,* could write of foreign policy as "only a euphemism for capitalism under arms", he was conscious of the interlocking of the welfare of peoples in all lands. "On the well-being and security of the peoples of Europe depends very largely the maintenance of our own standards; we cannot detach ourselves from the major problems of the humanity to which we belong. If Europe goes down, we too will sink deeply."[4] Throughout the nineteen-twenties he was a supporter of the League. "Let us be as ready to spend money in furthering the policy of the League of Nations as we are to spend money on any other policy, because the cause

[2] Contemporary discussions of the state of the Labour Party can be found in Lloyd Ross, "Australian Labour—the Crisis", *Economic Record,* Vol VIII, 1932, pp. 204-222; J. A. McCallum, "The Australian Labour Party", *The Australian Quarterly,* No. 29 Mar 1936, pp. 68-74; and *The Round Table,* Vol XIX, 1928-29, pp. 550-570; and Vol XXVI, 1935-36, pp. 616-621.

[3] Rt Hon F. M. Forde, MLA Qld 1917-22. MHR 1922-46; Min for Trade and Customs 1931-32, Army 1941-45, Defence 1946. Deputy Prime Minister 1941-45; Prime Minister July 1945. High Commnr for Aust in Canada 1946-53. B. Mitchell, Qld, 18 Jul 1890.

[4] *Westralian Worker,* 2 Nov 1923.

of peace in this generation is more important than the next."[5] But support for the League did not mean support by military strength. "I believe in defence, but I believe that the defence of the future will be human understanding, designed to remove the causes of international conflict." He called in 1929 for a "positive policy of peace". At that time he believed that the powers need not worry about the possibilities of war "for the next ten, fifteen or twenty years" because the world had not recovered from the last conflict. During the second decade of the inter-war period he was advocating security through "economic and social justice at home" and "friendliness" and "economic appeasement" to other countries,[6] and during the same period pronounced against collective security through the League and any participation in European affairs. In his advocacy of a narrowly defined system of home defence he became almost isolationist. His refusal to become embroiled in agitation against what Germany was doing in Europe or what Japan was doing in Asia had a good deal in common with the policy of "appeasement" which a section of his own party vehemently attacked.

Yet there is consistency. The threads of consistency are a hatred of war and a loyalty to the party. The hatred of war is rooted in an abhorrence of the suffering and loss that war brings to the common man—an abhorrence that subordinates with its passionate feeling considerations of national power and prestige and international clashes of interest and which even blunts perception of reality. The loyalty to the party is that of one whose whole life from boyhood had been devoted to the party and had found in it both religion and a church. The party must be held together, for a united party, gaining and exercising parliamentary power, is an instrument for building a better Australia. Curtin was not unduly ambitious nor was he an opportunist in a personal sense, but only ambitious and opportunistic for his party because he believed the success of his party was essential for the general good. He was not one of those who practise politics because that is the handmaiden of their statesmanship, but rather one who rose through the practice of politics to have the qualities of statesmanship. John Curtin, to use an expression that was in his own vocabulary, did not "kid himself". He knew what day-by-day politics were; he knew what others were up to and he knew what had to be done in the day's work. As Leader of the Opposition from 1935 to 1941 there was more of politics than statesmanship about his work. The job he had in hand was not that of leading a nation or reforming the world but of managing a party and the better he managed it the better for the state, the better for the people. Yet his mind sometimes writhed in tortuous struggles with its own honesty and power of reasoning. To one who knew the man and who has read his parliamentary speeches, the occasions are clearly apparent, in ambiguous words and circumlocutions and a turning aside from the main argument, when he was mentally uncomfortable. There were often such occasions

[5] *Commonwealth Debates*, Vol 122, p. 856, 6 Dec 1929.

[6] For example in *Commonwealth Debates*, Vol 155, Dec 1937, Address-in-reply debate.

between 1935 and 1940 when as parliamentary leader of a party which had split he worked to prepare it for office and the service of the country once again.

Curtin's rise to leadership, though not directly related to international affairs, coincided with a stirring of interest within the party in that field. In part this stirring of interest, which went alongside a similar awakening in the community at large, was due to the worsening of the international situation following the China Incident and the rise to power of Hitler in Germany. But these events alone did not precipitate the change. More marked effects in Australian party politics can be traced to the 1934 decision of the Soviet Union to enter the League of Nations and its renewed interest in seeking a common front with "progressive" elements in other lands in favour of collective security and against Fascism. From about the beginning of 1935 those who saw a light shining in Russia, not necessarily Communists, began to organise and to agitate within the Australian Labour Party in a much more active manner than any faction had hitherto done since 1918. This activity naturally stimulated those other sections of the party whose interest had already been awakened by the deterioration of the world situation. As that deterioration continued the interest became keener, rising to something in the nature of a crisis within the party at the time of the attempt made through the League of Nations to impose sanctions against Italy over the invasion of Abyssinia and at the time of the civil war in Spain. The war in Spain stirred many Australians who saw it as an attack on a workers' government by armed force backed by anti-socialist foreign powers.

It can be left to the future historian of the Labour Party to attempt the involved and ungrateful task of disentangling the various lines of thought within the Labour Party at this period, and to follow those lines of thought as they twisted from camp to camp. But it will be instructive for our present purposes to look briefly at some of the arguments that were current.[7]

The Labour Party had been divided in Parliament over the Government's rearmament proposals. Even on the 1932-33 Budget which, so far as defence was concerned, was almost a replica of the last Scullin Budget, the Opposition Leader in the Senate, Senator Collings,[8] had expressed the hope that this would be the largest sum ever spent on defence[9]; and in the House of Representatives, the claims of Government supporters for a

[7] In commencing this review of conflicting views within the Labour Party, it is well to recall the warning of a Labour writer against talking too glibly of a Labour view on defence or on international affairs. "There is never such a view," he says. "There is a collection of views held by different groups inside the Labour movement. At the most, a resolution at a union or a political conference can be said to express at that time the views of the majority present; but the minorities are not silenced, are only occasionally suppressed; an influence continues and never does unanimity prevail on any topic . . . The point is important not only as a warning against simple and inaccurate generalisations, but as indicating that, in addition to the influence of ideas and the vested interests of groups, there are also the influences of the party machinery, the party solidarity and loyalty . . ." Lloyd Ross, "Some Factors in the Development of Labour's Foreign Policies", *The Australian Outlook*, Vol 3, No. 1, March 1949, pp. 35-36.

[8] Hon J. S. Collings. MLC Qld 1920-31. Senator 1931-50; Min for Interior 1941-45. Of Hill End, Qld; b. Brighton, Eng, 1865. Died 20 Jun 1955.

[9] *Commonwealth Debates*, Vol 136, p. 2097.

higher vote had been opposed by the leader of the New South Wales State Labour Party (Mr Beasley),[1] Messrs Rosevear,[2] McGrath and James,[3] while the former Minister for Defence, Mr Green, after defending the Scullin Government's actions on the ground of financial necessity, expressed the opinion that there was no immediate danger of attack, that the present defence system met present requirements and that Australia's first duty was to develop the country instead of spending money needlessly on arms.[4]

Another argument used by other speakers was that the best form of defence was a happy and contented people—a theme that was later to be expanded in speeches by Curtin about security through economic and social justice.

The debate on the 1933-34 Estimates was remarkable for an open division of the Opposition. An amendment moved by Mr Ward,[5] the new member for East Sydney and an unrestrained spokesman of the militant Left, to reduce the vote by £1 was defeated by forty-four votes against twelve, three of the leading members of the party—Scullin, Forde and Green—voting with the Government while the number of absentees was unusually large. Beasley, Makin[6] and Holloway[7] were among those who joined with Ward in supporting the amendment. The arguments used are interesting as an introduction to a study of the conflict within the Labour Party on the subject. Makin spoke for the anti-war and peace movements which were then becoming active in Australia as in Britain in revulsion from the prospect of another conflict. He deplored the attempts to "create war hysteria" and a policy which he thought "provocative and defiant", and was able to quote religious leaders, women's movements and educationalists in Australia in support of his views. Green, although he eventually voted for the increase, maintained the prior claims of development of Australia and objected to being "stampeded by a lot of busy-bodies into the idea that war is imminent and inevitable". He voiced, too, that confident self-reliance that buttressed Australian isolationism: "No country can take and hold Australia. Two hundred thousand men, the flower of the British Army and the best trained soldiers in the world, tried to take South Africa from a handful of Boers and were unsuccessful".[8] Holloway spoke in the earnest and sincere voice of a pacifism which had its roots in the fervour of Anstey, and the anti-conscription days in Victoria, in

[1] Rt Hon J. A. Beasley. MHR 1928-46; Asst Min for Industry and Ext Affrs 1929-31; Min for Supply and Shipping 1941-45; Defence Jul-Dec 1945. High Commnr for Aust in UK 1946-49. B. Werribee, Vic, 9 Nov 1895. Died 2 Sep 1949.

[2] Hon J. S. Rosevear. MHR 1931-53; Speaker 1943-49. Of Leichhardt, NSW; b. 1892. Died 21 Mar 1953.

[3] R. James. MHR since 1928. Of Kurri Kurri, NSW; b. Lambton, NSW, 14 Jun 1885.

[4] *Commonwealth Debates*, Vol 136, p. 1624.

[5] Hon E. J. Ward. MHR 1931 and since 1932; Min for Labour and National Service 1941-43, Transport and Ext Territories 1943-49. Of Sydney; b. Sydney 1899.

[6] Hon N. J. O. Makin. MHR 1919-46 and since 1954; Speaker 1929-31; Min for Navy and for Munitions 1941-46, Aircraft Production 1945-46. Aust Ambassador to USA 1946-51. Of Woodville, SA; b. Petersham, NSW, 31 Mar 1889.

[7] Rt Hon E. J. Holloway. MHR 1929-51; Asst Min for Industry 1931; Min for Health and Social Services 1941-43, Labour and National Service 1943-49. Of Middle Park, Vic; b. Hobart, Tas.

[8] *Commonwealth Debates*, Vol 136, p. 4731

which Curtin himself had grown up: "I believe that Australia would never be involved in a war if she minded her own business . . . . As an Australian native with a family in this country, I would be prepared to urge that Australia should not bother about arming to defend herself, because no other country will interfere with her. By doing that she would set an example, as the Scandinavian countries have successfully done, and nobody would interfere with her. Others would follow the lead and, sooner or later, all would be in peaceful alliance".[9] Ward did not develop a clear line of argument. From a previous speech it would appear that he believed that wars "are inevitable so long as the present economic system operates"[1] but he apparently opposed any preparation for war by Australia and believed that money spent on the League of Nations was wasted. He was against "brass hats" and "warmongers" and warned them that the unemployed were not going to fight their battles for them again. He believed that the great nations were restrained from going to war only by the knowledge that if they exhausted themselves on the battlefield an opportunity would be given to the people to rise in revolt.[2] His was a new voice—militant, emotional, class-conscious and making its appeal to men's dislike of one another.

The sober thoughts of conservative Labour were spoken by Forde. He shared the opinions of Makin on the horrors of war. He recalled that the party stood, as a party, for general disarmament and world peace and for the settlement of disputes by international tribunals. But, with other nations armed, Australia must provide some form of defence. He favoured adequate "home defence" with special consideration for the air force, the development of industries, the improvement of transport and the development of the country. "As the Estimates provide for a small measure of restoration of our defence forces, I shall support them, although I hope the Government will give some attention to the other means of defence which I have mentioned."[3]

Turning from Parliament to the Labour newspapers and Labour pamphlets of 1934 and 1935 one is immediately struck by the fact that a large section of the Labour Party still saw the menace as one which could be personified as "Capitalism" or by an abstraction like "War". As they expressed it, war was being promoted by capitalists in alliance with Fascists, both to bolster up a decaying system and to find an opportunity for making bigger profits.

In January 1935 a Labour Anti-War Committee which claimed to represent the Melbourne Trades Hall Council and the Australian Labour

[9] The analogy with the Scandinavian countries, which had also evoked admiration as working democracies, had considerable influence in the thinking of a number of Australian Labour members, including John Curtin. On this account, the German overrunning of Norway, perhaps more than any other European event, had a strong effect in bringing them eventually to see the 1939-45 war as a war of nationalistic aggression, in which even a peace-loving country free from entanglements would not be safe.

[1] *Commonwealth Debates*, Vol 136, p. 1636.

[2] *Commonwealth Debates*, Vol 142, p. 4269.

[3] *Commonwealth Debates*, Vol 142, p. 4713.

Party, Victorian Division, launched a Movement Against War and Fascism and circulated a declaration which stressed the following "vital points".

(1) The economic cause of war and the fact that its effectual abolition can only be achieved by the establishment of Socialism or the common ownership of the means of production.
(2) The military significance of Fascism, which overthrows Parliamentary control by force, facilitates capitalist wars and provokes civil war.
(3) Opposition to war which threatens the national right of self-determination and Socialism in any country.
(4) The severance of political relations with nations engaged in capitalist war, and an embargo on the import or export of war materials to and from Australia.
(5) The promotion of fraternal relationships with any country which stands as a force for world peace.
(6) Industrial support of the Australian workers for the workers of any nation who are resisting capitalist war.

This declaration, after having been endorsed by the Melbourne, Sydney and Hobart Labour Councils, was eventually adopted, on the motion of the Miners' Federation, at the All-Australian Trade Union Congress Conference convened by the Australasian Council of Trade Unions on the 25th November 1935. This conference strengthened the fourth point of the platform by declaring that the policy should be enforced by the trade union movement in Australia "by all means in its power, including resort to strikes, boycotts, etc., if necessary".

At the same conference another resolution had been adopted declaring uncompromising opposition to the policy of applying sanctions as provided for in Article XVI of the Covenant of the League of Nations, the grounds for such opposition being mainly that such a policy "would be applied wholly and solely in the interest of the Capitalist Class", that League sanctions would commit Labour to support the sending of armed forces overseas "to be placed at the disposal of the League for the purpose of taking part in a Capitalist War", and that the decisions would be made by representatives of governments under capitalist control acting on behalf of the League. In general the argument was that the policy of League sanctions would involve Australia in an imperialistic and capitalistic war overseas.

The conflict between the two resolutions as regards the particular point of sanctions was clearly before the conference and was, in fact, pointed out to delegates by many of their colleagues who had voted against the adoption of the resolution opposing League of Nations action. In current trade union thinking, however, there was a familiar distinction between what were termed "working class sanctions" imposed by the workers of the world by their own volition and in concert with one another, rather than with governments, and the sanctions provided for in the League Covenant and imposed, if imposed at all, by agreement among governments. This distinction, coupled with opposition to Australian rearmament and to League sanctions, meant of course that the ability of Australia or of any other nation with which it was associated to take effective

action to meet a threat of war would be decreased. Conversely, the same policy also meant that the effectiveness of the trade unionists' power to decide which of the belligerents was in the right and to boycott the others, no matter whether Australia was belligerent or neutral, would be increased.

These views had only been asserted by majority votes and had been opposed by many trade unions. There were those who had made support of the League of Nations their starting point but who could be influenced by arguments based on statements that the League had failed or that it was being wrongly "used". There were those who started from the simple proposition that the only war in which Australia should be involved was a war directly threatening Australia and that for such an event full preparations should be made but care should be taken against "involvement" in any other sort of war. But those who argued in this way could be influenced by their fear of foreign entanglements and their suspicions of "capitalism". There were those who started from the proposition that Australia should work for peace instead of spending money on war and who believed in the possibility of nations and powers living in good neighbourliness, but they had put their hope chiefly in disarmament, in the League of Nations as a symbol of goodwill and amity, and in conferences, and they were hard put to it now to find some way of actually "working for peace". It was not hard to persuade them that the very war they dreaded might be brought by the League itself or to lead them to look for other means that did not involve the risk of war. Some of them fell back on isolation.

How are these various elements in the party likely to react when brought to bear on a particular issue of international affairs? The question can be considered, not exhaustively, but instructively, in connection with the Abyssinian crisis.

It has been customary to recount this phase of Labour politics mainly through the files of the *Labor Daily* (Sydney) but, in so doing, it has to be recognised that the paper's viewpoint is sectional and not official. On 3rd August 1935, this newspaper said that the attack on "Abyssinia was a threat to the whole system of collective security" and should be met by "the effective application of economic and financial sanctions" but League action should not be carried to the stage of military sanctions. A month later, on 5th September, the newspaper discovered that "sanctions mean war" and on 14th September it had switched around completely to oppose the imposition of sanctions and to represent the whole history as an attempt by Britain, as the villain of the piece, to lead France and Russia into support for British interests. Taking this view, the newspaper said on 4th October that Australia must keep out of what was only another war between rival capitalist groups.

It will be remembered that, from the days of Charlton, support for the League of Nations had been a cardinal feature of Labour views on defence. Now, however, the opposite view prevailed. At the end of September 1935, before the Lyons Government had introduced its Sanctions Bill, Mr Beasley, the Leader of the Lang Labour Party in the House of Representa-

tives had moved that the House should formally declare Australia's neutrality in any war that might arise from the Italian action in East Africa and this resolution was eventually supported by the Federal Labour Party led by Mr Curtin, although it was outvoted by the Government supporters. When the Sanctions Bill was introduced it was opposed by both Labour parties and the gist of their opposition was that a "vote for sanctions means a vote for war". When reminded of the principle of collective security in the Covenant, their reply was to the effect that circumstances had so changed since the Covenant was signed that those obligations should not now be regarded as binding.

The Labour attitude can be found to be consistent with its earlier attitude to collective security if its fundamental faith is regarded as isolationism. It had objected to the British Empire connection when that seemed likely to lead Australia into war. When the connection with the League of Nations and support for collective security also seemed likely to lead Australia into war, it was prepared to abandon its preference for the League. The opposition to "foreign entanglements" and "commitments overseas" was being extended to the League of Nations system.

This is by no means, however, the whole story. As an explanation it is far too simple to suit the state of party politics at that stage. One other element—the distinction made between working class sanctions and League sanctions—has already been indicated. Another element, although possibly a minor one affecting only one section of the party, was the fact that sanctions had not been applied against Japan in 1931. Those Labour supporters who had been in favour of action against Japan, could see no difference either in the situation or the various diplomatic and military reasons which had made the League incapable of acting against Japan, and were rather inclined to argue that because the League had not done what they thought it should have done in 1931, it could not claim support in 1935. This attitude accorded fully with the opinions expressed rather cynically by the *Labor Daily* in its post-mortem on the failure of sanctions for, following the line of thought current not only in Australia but in many other countries, it used the failure to apply oil sanctions as a proof that the whole proposal of sanctions had been insincere and, in fact, had possibly been pre-arranged between Signor Mussolini and M. Laval. A third element became important because of the accident that one of the parties to the situation was Italy. Although no proof can be educed, it has frequently been asserted by those closely in touch with the Labour Party, that the influence of the Roman Catholic element in the party was decisive in leading the party to oppose the imposition of sanctions against Italy and such a view is in accord with the arguments that became familiar to the effect that the Abyssinians were a barbaric people and the Italians were carrying out a Christian and civilising mission in invading their country.[4] Nevertheless, while isolationism can scarcely be accepted as a sole and sufficient reason for the Labour Party's attitude, it was undoubtedly

[4] See discussion at the 1938 Summer School of the Australian Institute of Political Science, reported in *Australia's Foreign Policy*, W. G. K. Duncan, editor, pp. 33 and 34.

an influential element and it is significant that isolation should appear in contemporary discussion of the situation as being likely to appeal to the Australian people.

One incidental effect that the consideration of the Abyssinian crisis had upon the Labour Party however was to make it realise more clearly than it had hitherto done that international conflicts involve nations. In spite of the attempts made by some sections of the party to represent the imposition of sanctions and the various diplomatic activities as part of the old capitalist plot, they could not escape the fact that the fighting was between Italy and Abyssinia and that the will of Italy had been served by the military power of Italy.

Up to this time the Labour movement had been rather apt to attack the abstraction rather than the military power. For example, in Labour pamphlets it is much easier to find condemnation "of the barbarous military suppression of the Chinese people by British, American, European and Japanese capitalists" than it is to find any attack on a nationalistic Japan. The element of power in international relations and the possibility that Britain might have to defend herself against the German army and air force entered into the speeches of trade unionists far less than their fears of "the capitalist oligarchy in control of the U.S.A." or "the plans of British capitalism for the next war". Events such as occupation of the Rhineland in March 1936, underlined the fact that, whatever may be the cause of wars, the fighting would not take place between abstractions but between troops directed by national governments to serve the ends of national policy.

During 1936, controversies within the Labour Party appeared to revolve largely around this point, those who talked of fascism and capitalism coming up against the harder heads of those who saw a plainer and more direct military threat. Moreover, as the danger of war grew, so did the necessities of national defence become more acute and no active political party could either hope to discharge its responsibility or to obtain the confidence of the electorate unless it developed in concrete terms its policy on defence measures. Hence, from about the middle of 1936 onwards, the parliamentary Labour Party began to talk in a more practical way about the military measures to be taken by Australia, and to denounce those sections of the party who still opposed any rearmament.

The Congress of the Australasian Council of Trade Unions held in Melbourne in July 1936 resolved to organise the masses against war; to oppose the rearmament policies of the British and Australian Governments; to support a policy of collective security through the League of Nations; and to oppose any resumption of compulsory military service. These decisions were promptly repudiated by Curtin as the parliamentary leader of the party.[5]

[5] As indicated in the Melbourne A.C.T.U. resolution, a strong element in the left wing of the industrial movement had returned to the support of collective security. Resistance to communism was further complicating alignments of the militant section of Labour. The switch of opinion by some groups which had voted in a contrary way in the case of Abyssinia and the confused divisions which still existed on the question can be illustrated by various trade union resolutions. At the annual conference of the New South Wales State branch of the Australian Railways Union

Henceforth Labour tended to concentrate less and less on arguments about the nature of war and more and more on the actual measures to be taken for the defence of Australia; and this new turn in Labour's interest in defence led to a considerable sharpening of their criticism of the Government's defence plans. In Parliament they no longer questioned the amount of the expenditure, but concentrated attention on the allocation of expenditure.

The old preference for air forces and land defences as against large naval expenditure was unchanged. The argument, however, now proceeded in quite a different sequence. The new starting point was the inability or possible unwillingness of Britain to defend Australia rather than, as in 1923 and subsequently, any unwillingness on the part of Australia to accept commitments for cooperation within the British Empire. Speaking on the Defence Estimates of 5th November 1936, Curtin said:

> If an Eastern first-class power sought an abrogation of a basic Australian policy, such as the White Australia Policy, it would most likely do so when Great Britain was involved or threatened to be involved in a European war. Would the British Government dare to authorise the despatch of any substantial part of the fleet to the East to help Australia? . . . The dependence of Australia upon the competence, let alone the readiness, of British statesmen to send forces to our aid is too dangerous a hazard upon which to found Australian defence policy.

Therefore he argued that land and air forces should be strengthened, the capacity to produce munitions increased and adequate reserves of oil and other essential supplies built up in peacetime.

These measures of preparedness, however, did not alter the Labour Party's basic policy of "non-participation in foreign wars"—a phrase which now precluded collective security through the League of Nations as well as prior commitments to Great Britain.

In the House of Representatives on 24th August 1937, while asserting the "unswerving allegiance of the Opposition to the British Commonwealth of Nations, and also to His Majesty the King as the symbol of this most remarkable association of nations", Curtin said: "We on this side of the House insist that in the final analysis, this nation shall not be committed to warlike activities outside Australia without the absolute and established consent of the Australian people". In his policy speech of 20th September of the same year, on opening the 1937 election campaign, he said:

> Our position renders it impracticable that we can exercise any decisive influence, either as a police or salvage corps, in the problems of Europe . . . . The Labour

held in May 1937, a statement was adopted favouring "activation of the masses against war, opposition to the rearmament policies of the Baldwin and Lyons Governments, the democratisation of the Australian army, opposition to conscription and labour camps and support of the policy of collective security through the League of Nations". At the same time the conference congratulated Russia on its activity in the interests of world peace. A similar motion evoked keen discussion at the Trade Union Congress in Sydney in July and was carried by 79 to 48 votes, in spite of the opposition of the representative of the A.C.T.U. Executive, who described the League as "a League of warmongers" and declared that Australia could not justify "participation in a war of aggression and had no right to butt into any argument overseas". The resolution was carried in the name of "international working class unity". On this aspect of the internal controversies of party members Curtin made his position clear when, in repudiating the A.C.T.U. resolution he said "to be drawn into war in spite of everything would be bad enough, but deliberately to indicate our willingness to be a participant for or against certain European groups would be a piece of national madness".

Party's policy involves first a paramount obligation to effectually defend Australia, and secondly no compulsion to be exercised upon any citizen for service on foreign battlefields. It is our view that by being self reliant in our own defence, we make a notable contribution to the British Commonwealth of Nations.

The foundation for Labour policy at the 1937 elections had been laid at the 1936 Interstate Conference of the party when, following Curtin's repudiation of the A.C.T.U. resolution, the following recommendations were adopted "as a declaration of policy and in amplification thereof:

(a) The Australian Labour Party expresses its greatest abhorrence to war and Fascism and urges that the Commonwealth Government should endeavour to establish and maintain friendly relations with other nations.

(b) That the complete control of the production of munitions, and war materials of all kinds, should be vested entirely in the Commonwealth Government.

(c) That preparation, to counter any possible foreign aggression, be made by the establishment of a defence scheme commensurate with Australia's ability to maintain it and adequate for our needs, and that this be done by concentration on the following essentials:

I Aerial defence, and the further development of commercial and civil aviation capable of conversion for defence purposes.

II The establishment of airports and depots at strategical points on the coast and inland.

III The provision of adequate stores of oil fuel, and concentration upon the production of oil from coal and/or shale; and the production of power alcohol from crops suitable for the purpose.

IV The intensification of a scientific search for additional oil sources, natural and artificial, throughout the Commonwealth.

V The provision of bomb and gas-proof shelters, and the means of evacuating women and children from menaced areas.

VI The maintenance of naval, aerial and land forces at an efficient standard, and, in emergency, the mobilisation of marine, aerial and land transport facilities.

VII A national survey of all industries to discover their potential value for defence purpose.

VIII This policy to be financed by the operation of Labour's financial proposals."

At the same conference the manufacture of the munitions of war was added to the defence section of the party's platform. That platform still contained proposals against compulsory training or the raising of forces for service outside the Commonwealth, or participation or promise of participation in any future overseas war, except by decision of the people.

The election campaign of 1937 is outstanding among all pre-war election campaigns for the importance given in it to foreign relations and defence. Curtin's speech of 20th September, which was the first of the policy

speeches, followed closely the declared platform, stressing the aims of friendly relations, industrial self-sufficiency, self-reliance and no commitments overseas. Commenting on his speech, the *Sydney Morning Herald*, which supported the Government in this campaign, conceded that Curtin had faced fairly the fact that defence was the vital question and had honestly insisted on the need for preparedness. The Government campaigners, however, were determined to make a challenge and chose a point on which they knew that Curtin would have difficulty in answering without offending one section or another in his own party. Was the Labour Party's attitude one of isolationism and unwillingness to cooperate with Britain? Did Curtin's references to the "absolute and established consent of the Australian people" mean that, in the event of an attack on Singapore, Labour would require a referendum before Australia could do anything about it, asked the Attorney-General, Menzies. Was Curtin, in putting the navy into the background, going to leave naval problems to Britain? Would Britain, too, hold a referendum before she came to Australia's assistance? Lyons, in his policy speech on 28th September, declared that a policy of isolation from Great Britain would be suicidal. Britain's strength must be our strength, he said in another speech. World events had forced Britain to rearm. Australia must rearm for the same reason and cooperate with Britain.

Curtin denied isolationism and asserted that Labour would defend Australia "absolutely and unequivocally", but it would not "drain its resources in manpower and otherwise in order to wage war in Europe". The Labour Party would cooperate with other countries in raising the standards of our civilisation but "it will not be a party to any form of collaboration that ends inevitably in further wars".

In the final appeals to the electors on 21st October Lyons said: "A vote for the Government means a vote for Empire cooperation in naval defence for the safeguarding of our shores from foreign aggression and for the safeguarding of our seaborne trade from attack in time of war . . . A vote for our opponents means a vote for isolation from the rest of the Empire".

The Country Party leader, Dr Earle Page,[6] repeated the theme: "Either we are to go forward with the rest of the British Empire, secure and prosperous, because of the Empire's strength, or we are to turn aside upon some lonely road of our own never knowing where it will take us, and never free from the menace of covetous peoples".

Curtin assured the electors that Labour would "have nothing to do with foreign entanglements leading Australia into war outside Australia", and would uphold the nation's safety against external aggression.

The Government was returned with forty-five seats in the House of Representatives but lost ground in the Senate. Having regard to the appeals made to the electors the results would justify a claim that the people of Australia were in favour of closer cooperation in defence with Britain,

[6] Rt Hon Sir Earle Page, GCMG, CH. (1st AIF Capt AAMC.) MHR since 1919. Treasurer 1923-29; Min for Commerce 1934-39, 1940-41; Health 1937-39; Prime Minister 1939; Min for Health since 1949. Of Grafton, NSW; b. Grafton 8 Aug 1880.

and that they were not particularly worried by the fear of becoming involved unnecessarily in wars overseas as the result of their relations with Britain. The election was, however, a rather complex one and the confusions and divisions on the Labour side were a factor in the party's discomfiture. The party itself thought so. While criticising the Government for raising a war scare and for its "stand-by-the-Empire stunts", commentators within the party blamed more freely such factors as the lack of "consolidation" in New South Wales, the activities of the Lang Labour group and Lang's miscalculation in raising the conscriptionist scare against Lyons, the unwanted and damaging patronage of the Communist Party, and the lack of a clear answer to the charges of isolationism.

Members of the industrial left wing were bitter, too, because their own movement for peace and for collective security had been rejected by the Labour leaders and they felt that if their ideas had been advanced positively the result of the election would have been different. A conference of seventy-three trade unions at the Sydney Trades Hall in November 1937 gave among the reasons for defeat: "The policy of isolation in opposition to the peace policy of the A.C.T.U., which made the Labour Party's policy out of step with the Labour movement of the world". They might have added that one of various reasons why the parliamentary leaders were isolationist was that they were nervous about where Australia might finish up if it fell into step. Their strong Australianism was protecting them from international working class movements as well as from the consequences of any other form of internationalism or of British imperialism. Non-intervention, even if it meant dropping collective security and the brotherhood of the working man, was not simply a policy; it was also an essential means of holding the party intact.

The post-mortems reveal that Labour still had not found unity. An unsuccessful election campaign which gave room for one faction to blame another for the failure left the party disturbed. Moreover, both before, during and after the election, there was a division of opinion over the hostilities in Spain, for here again, partly because of religion, partly because of the objection to commitments overseas, there were many Labour supporters who opposed the industrial left wing's support of the Republican government. Events in Spain roused trade unionists, and indeed all Australians, as few international events had done but it also divided them. Again, in the case of the Japanese invasion in China in 1937, the party was divided between those who at one extreme wanted to apply working-class sanctions against the Japanese and those who, thinking first of various Australian national interests, were prepared to appease Japan. After the Sino-Japanese conflict had broken out Curtin, like many other Australians, still talked of friendly relations with our Pacific neighbours even although in the corners of his own party there were those who raised the cry of "Hands Off China" and tried to promote working-class sanctions against Japan.

When Parliament received proposals for increased defence expenditure in November 1937, and a Loan Bill in April 1938 to raise £10,000,000

for defence, Curtin treated defence as a topic of national importance and his objections were raised to the method of financing the expenditure, not to the expenditure itself, but there were still sitting with him in the party room those who raised the old objections. Brennan thought the defence policy a "calculated panic stimulated by interested parties" and saw nothing in either the European or Asiatic situation to justify the changed policy.[7] Ward accused the Government of indulging in propaganda and conjuring up imaginary foes and suggested that the Australian defence programme was dictated by imperialist interests.[8] "The best contribution the Australian Parliament could make to the preservation of peace would be by saying in no unmistakeable terms that if British imperialists are prepared to go to war in order to protect investments in any part of the globe it will be their own affair and they cannot depend upon our assistance."[9] The Leader of the Opposition in the Senate, Collings, urged disarmament.[1]

Outside Parliament the industrial left wing was openly critical of the parliamentary leaders for their policy of isolation instead of more active participation with the "anti-fascist" forces of the world. This section castigated the British "appeasers", tracing their actions to a capitalist plot to bring about a combined attack with Italy, Germany and Japan on the Soviet Union. They called for support for the "people" in China and in Spain against fascist invaders. In March 1938 the New South Wales Trades and Labour Council unanimously adopted a statement on foreign policy which condemned the current diplomatic activities of Britain in Europe, adding: "We are convinced that a general world war will be averted not by retreating, as the British Empire is doing, before aggression, but by calling a halt, by standing firmly with other peace-loving nations against the aggressors".

Did this really mean that a section of Australian Labour now wanted to participate in the shaping of British foreign policy and, more than that, was trying to persuade Britain to take a stand that might lead to war, and was proposing that Australians would also be ready to fight for the same cause? That would be an amazing reversal of the whole trend of Australian Labour policy since 1918. Closer study destroys such an interpretation. The resolution did not express an Australian commitment but rather a "demand", addressed to the world in general, that Britain should "fully support France and Soviet Russia in their determination to defend the independence and integrity of Czechoslovakia", should "restore to the lawful Spanish government the right to obtain materials . . . and insist upon the withdrawal of the Italian and German forces", and thirdly strengthen the League of Nations. It was an echo of what left-wing parties were saying in other lands at that time. The only part of the resolution which had a direct Australian application was a call to the Labour movement to refuse to cooperate with the Government or the

[7] *Commonwealth Debates*, Vol 155, p. 633.
[8] *Commonwealth Debates*, Vol 155, p. 621.
[9] *Commonwealth Debates*, Vol 155, p. 625.
[1] *Commonwealth Debates*, Vol 155, p. 35.

employers "in any of the so-called defence measures it is taking" so long as "the present attitude on foreign policy is maintained", and while there is private profit in armaments.

During the following months there were other resolutions by "representative conferences" of trades unions and by the A.C.T.U. supporting collective security and sanctions against aggressors, and a reappearance of working-class sanctions in the refusal of waterside workers on two occasions to load iron for Japan. Twelve months earlier, in October 1937, the council had called upon trade unions and the people of Australia to organise a boycott of Japanese goods and to prevent export of goods to Japan and urged the Trades Union Congress of Great Britain to launch a movement for the complete boycott of Japanese trade throughout the Empire. The effectiveness of these measures may not have been great. But the resolutions illustrate first the continuance of "internationalist" elements in the party, second the attractiveness and influence of contemporary Soviet policies on a section of the party, and third the continuance of divisions within the party. Curtin opposed the boycotts or any non-governmental action in foreign policy and also expressed himself in favour of maintaining friendly relations and avoiding provocation to Japan. He was also against collective security and ready to defend the policy of non-participation in foreign affairs. In an article in the *Australian Worker* after the crisis of September 1938, he wrote:

> The Labour Party believes that the lesson of this crisis which has dragged Australia to the abyss will not be forgotten by the Australian people. That lesson is that Australia must keep out of the quarrels of Europe and not dissipate its resources, thereby exposing this country to far worse dangers.

In a long article on "Collective Security" in the *Australian Worker* on 9th November 1938, he, a former supporter of the League of Nations, wrote:

> As an ideal collective security is admirable. But as a practical policy in a world based upon imperialism it is . . . a highly dangerous idea which can be seized upon to excuse the very forces it is intended to defeat. When Governments are cooperating in the economic field on an anti-imperialist basis, collective security will become a very practical method of dealing with aggression. But so long as the world is organised on its present basis, I say that it is essential that the workers should understand that a great deal of change must precede the organisation of collective security . . . . The workers do not control the governments of the world. Until they do, it would be suicidal for the workers of Australia to join in supporting pacts, treaties, understandings or obligations of any sort which would involve them in war against the workers of another nation, or a number of nations, at the dictate of capitalist governments. Sadly we must put aside sentimental adherence to those ideals which inspired the birth of the League of Nations and recognise that, in their present economic environment, they have proved incapable of translation into action. Therefore, the Australian Labour Party stands to its policy of non-participation in European wars while ensuring that we shall attain to the maximum of self-reliance in order to repel aggression.

For the most part, Australian Labour was wary of the exhortations of its own members to take sides in the world struggles. For example, when in July 1938 a "representative" conference of New South Wales trade

unions, including the Australian Railways Union and Sheet Metal Workers, called for a break with the "pro-Fascist policy of the Chamberlain Government" and support for collective security and sanctions against aggressors, the bulk of the trade union movement in New South Wales and other States turned down the suggestion. It would be over-simplifying the struggle to represent it as a difference between isolation and collective security. Strange alliances of ideas were taking place. The advocacy of non-participation in foreign affairs had been fed by a strong though narrow Australianism and a broad and sluggish distrust of the outside world. To the Australianism now came a half-forgotten stream of old loyalties and affiliations. After any consideration of the policies of Germany, the Soviet Union, Japan, Italy or any other power the policy of Great Britain seemed at least familiar, reasonable and well-intentioned, and the more the left wing attacked Britain the better Britain stood with the right and centre of the party, while the nearer danger approached the more keenly Australians remembered old friends. To the distrust of the outside world was now added active anti-communism, the bewilderment that had come to the readers of disconnected but frequent headlines about coups, demarches and aggression, and the doubts, due in part to the failure of the League, about any foreign or unfamiliar doctrine. The party came more and more to find a centre of agreement by concentration on the practical task of the home defence of Australia. They found comparative peace of mind in giving all their attention to the burning of firebreaks.[2]

During 1938 political and industrial leaders conferred to resolve differences of view and to straighten up the old safeguards. A statement issued in June 1938 by the Federal Advisory Committee of the Labour Movement, composed of representatives of the Federal Parliamentary Labour Party and of the A.L.P. Federal executive, read as follows:

> That as the policy of the Australian Labour Party and of the A.C.T.U. is that of uncompromising hostility to—
>
> I. Compulsory military training and service;
>
> II. The raising of forces for service outside the Commonwealth or participation or promises of participation in any future overseas war, except by decision of the people;
>
> III. The production of munitions and war materials by private enterprise—
>
> We recommend to our constituent bodies that every opportunity be taken to express Labour's opposition to compulsory military training or service by stressing the items of policy above quoted, and further, that the workers be organised to actively resist any attempt that might be made by the Lyons Government to reintroduce compulsory military training and service.

Behind these safeguards there was a growing advocacy, particularly in the remoter States, for more adequate defence measures and increased defence expenditure.

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[2] In a more comprehensive study of the Australian Labour Party a similar result might be discovered in fields other than foreign policy and defence. R. S. Ross saw the situation very clearly in 1928 when he wrote: "In the circumstances of its peculiar development—somewhat insular, instinctively protective—the Labour movement of Australia, because of a tradition inspiring it to free itself from old world injustices and another tradition originating in the ideal of Australia for the Australians, finds itself almost as much at variance with its own people overseas as with the forces of the economic system it seeks to end or mend". (Ch X, *Studies in Australian Affairs.*)

The dissensions within the party were eventually brought to a head at the 15th Commonwealth Conference of the Australian Labour Party, originally arranged to open in Perth on 8th May, but actually held at Canberra from 1st to 5th May 1939.[3] There were eighteen draft resolutions submitted by various branches on defence and security. The principal debate was inaugurated on a South Australian proposal which had been built out of the notions of collective security, working-class sanctions, and a pro-Soviet line in foreign policy which had been stirring in the New South Wales unions. The practical effect of what it proposed was to oppose any rearmament by either the Chamberlain Government in the United Kingdom or the Lyons Government in Australia, to repudiate any commitments made at the 1937 Imperial Conference, although Lyons had explicitly stated that there were none, and to do this in the name of supporting collective security through the League of Nations. There were also some vague objectives such as "organising the masses against war", "securing democratic control of the army inside Australia" and "the achievement of a united effort of all working-class bodies as a means of building up independent action for peace to supplement or oppose action of governments in the League as may be necessary in the interests of peace"—all stock phrases in left-wing resolutions during the past four years. Some of the A.L.P. delegates made plain their opinion of the origin of this proposal. Messrs Calwell[4] (Victoria) and Foley[5] (Western Australia) both said bluntly that it was only since Russia came prominently into League affairs that the advocates of collective security had discovered the League's virtues.

In any case, the Labour mind in May 1939 was no longer disposed to traffic in phrases. Mr Forgan Smith[6] (Queensland) pointed out that in dealing with national defence today Australia was facing an entirely new position and it could not be dealt with from the points of view held about any past war. The principle of collective security was good, but it presented immediate dangers to its followers. He proposed a resolution, which was eventually adopted. This was essentially the resolution of a practical politician and was frankly presented as such in supporting speeches. It concentrated on the defence of Australia from attack; it took care to anticipate criticism from the electorate that Labour was isolationist and anti-British; it turned criticism against its political opponents blaming them for the lack of preparedness; it satisfied traditional views with a side-blow at profit makers and, in phrases shaped for their political effect, maintained its objection to conscription and commitments to fight overseas. An additional element in the resolution, traceable to the Queensland

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[3] The Agenda paper used at Canberra bore the name of Perth and the date of 8th May.

[4] Hon A. A. Calwell. MHR since 1940; Min for Infmn 1943-49, and Immigration 1945-49. Of Flemington, Vic; b. West Melbourne 28 Aug 1896.

[5] P. G. J. Foley (served in RAN 1914-18). Gen Sec WA Timber Workers' Union 1934-44. Vice-Chairman Aust B'casting Commn 1942-44. Of Mosman Park, WA; b. Fremantle, WA, 19 Jun 1895. Died 7 Nov 1944.

[6] Hon W. Forgan Smith. MLA Qld 1915-42; Premier of Qld 1932-42. Of Yeronga, Qld; b. 15 Apr 1887. Died 24 Sep 1953.

delegation and brought out clearly in the speech of Mr Hanlon[7] in support of Mr Smith's proposal, was the defence of "all our people in all States" and the allegation that the Government and its military advisers had made no preparation for the defence of northern Australia.

The debate reveals, as the debates of any party conference will reveal, that sensitiveness to the appeal to the electorate equalled concern for the merits of the case.

Eventually the South Australian motion was withdrawn and the conference agreed on the voices to Mr Smith's proposal as follows, some of the doubtful insisting to the last that it was still the 1936 policy and that they were not changing their minds:

That this conference of representatives of Labour throughout Australia—having regard to the grave international situation now existing—declares its adherence to the principles of Democracy, and the necessity of defending our free institutions against all forms of attack and intimates that:

1. We stand for the maintenance of Australia as an integral part of the British Commonwealth of Nations;
2. We stand for a policy of complete national and economic security; and
3. We will defend all our people in all States against aggression from any source.

To accomplish this it will be necessary to organise the resources of Australia to give adequate expression to these principles on the basis of equality of sacrifice.

We deplore the lack of preparedness for defence of this country, which is the responsibility of the Commonwealth Government, and indicates the urgency of speeding up production of necessary equipment, munitions, etc., and all things that are required in connection with adequate defence.

We reject conscription of human life which is advocated by our opponents.

On every side there is evidence of their determination to continue profits as usual.

We maintain that Australia will adequately play its part in Imperial defence by the maintenance of the inviolability of the Commonwealth of Australia.

We desire peace amongst the nations, and our foreign policy will be conducted with this end in view.

If this resolution is compared with the traditional party policy since 1921, it will be realised that the party had not travelled far. That was considered its achievement in 1939. It had kept off dangerous by-ways. The internal struggle was not over, however, and the influence of left-wing industrial opinion would grow after war began.

9—THE MUNICH CRISIS

The Munich crisis of September 1938 tested the adequacy of the arrangements which had been worked out within the British Commonwealth for consultation on the major issues of foreign policy and for ensuring concerted military action by British countries in a major crisis. At the same time, the crisis and the events of the following six months presented plainly to Australia the probability of war and tested both the state of Australian political opinion regarding participation in war and the adequacy of Australian defence preparations. After the end of 1938 there could be no question about the grave danger of war in Europe, the

[7] Hon E. M. Hanlon (1st AIF: 9 Bn 1915-19.) MLA Qld 1926-52; Premier of Qld 1946-52. Of Paddington, Qld; b. Brisbane 1 Oct 1887. Died 15 Jan 1952.

probability that war in Europe would mean a world conflict and the certainty that a war involving Great Britain would also involve Australia. Australian participation in the coming conflict had been made inevitable and would be automatic as the result of the policy followed by the Australian Government at the time of Munich.

Six months before Munich the course of Australian policy had been foreshadowed. In a statement to the House of Representatives on 27th April 1938, the Prime Minister reviewed recent developments in international relations, giving first place in his review to the resignation from the British Cabinet of Mr Eden as a result of a difference of opinion between himself and his colleagues as to the methods of British foreign policy. The occasion of the disagreement between Eden and Chamberlain[8] was not considered with any depth by the Australian Parliament and, indeed, the Leader of the Opposition took the view that the resignation of the British Foreign Secretary was not a matter to be deliberated upon by the Australian Parliament but a matter of the domestic politics of the United Kingdom.

The Australian debate revolved around the question whether or not there had been a substantial change of British foreign policy and, if so, whether it had been made with or without consultation with the Dominions, but no speaker went right to the heart of that question. Lyons expressed the view that the principles of British foreign policy outlined by Chamberlain, and the British approach to Italy which had been the occasion of Eden's resignation, in no way represented a departure from the resolutions adopted at the Imperial Conference of 1937. Lyons then proceeded to find his own arguments to support his view that the Chamberlain policy was "in effect an expression of the essential aims and ideals of the League and in no way in conflict with them", while at the same time recognising the unfortunate fact of the League's present inability to provide collective security.

The Prime Minister said nothing specifically on the question of whether there had been prior consultation with Australia on any of these matters. "In order to be in a position to confirm the belief of the Commonwealth Government that the Government of the United Kingdom had not abandoned its support of the League," said Mr Lyons, "I communicated with Mr Chamberlain on the 6th March, and obtained his authority to state that the British Government still adhered to the policy which had been adopted by the British Commonwealth of Nations at the Imperial Conference of 1937, and that, in particular, there had been no change in principle in the attitude of the British Government towards the League of Nations and collective security."[9] He then argued that, as there had been no change in the fundamental aims and objects of British foreign policy, it was unnecessary formally to consult the Dominions on "what was purely a domestic matter concerning a difference as to time and method for the

[8] Rt Hon A. N. Chamberlain. Chanc of Exchequer 1923-29 and 1931-37. Prime Minister and First Lord of the Treasury 1937-40. B. 18 Mar 1869. Died 9 Nov 1940.

[9] *Commonwealth Debates*, Vol 155, p. 536.

conduct of certain negotiations". Throughout the whole of the period, the Commonwealth had been kept fully informed of all international developments and of the attitude towards them of the British Government and, early in February, he had informed Chamberlain that the Commonwealth Government agreed that "the present situation calls for action and we feel that the reopening of conversations with Italy is of the utmost importance".

From the tenor of Lyons's statement it would appear that he made a distinction in his own mind between being supplied with information and being formally consulted; and it would also appear that, while information was received by Australia, there was no formal request for the expression of an opinion by Australia or for any acceptance by Australia of the responsibility which would flow from active participation in the shaping of policy. The giving of information, however, had left the way open for the Australian Government to express any views it might have had and, apparently, on at least one occasion, it had so expressed its opinion.

Any deep-seated significance in the point of view taken by Eden regarding negotiation with aggressors would appear to have been missed by the Australian Government. They very readily accepted the Chamberlain policy as a continuation in the old direction and, therefore, in approving of it, they were probably not aware of all its implications. The country was less compliant on this point. "It is impossible to accept the view that the issue dividing Mr Eden and his Prime Minister was too trivial to deserve the attention of the Dominion Governments . . . Mr Chamberlain may genuinely believe that such consultation was not necessary in the circumstances, but this view will not be generally shared in the Dominions, and it is regrettable that the Australian Government should be over-ready to accept it," commented the *Sydney Morning Herald.*

In the speech mentioned above, Lyons referred to Chamberlain's speech in the House of Commons on 24th March and in particular to his statement concerning Czechoslovakia. This statement was to the effect that the Government of the United Kingdom was not prepared to declare its readiness to guarantee the independence of Czechoslovakia, but that the inexorable pressure of events might well prove more powerful than any formal pronouncement, and a dispute in Central Europe might involve countries which were not originally parties to such a dispute. Before the speech was delivered, said Lyons, the Commonwealth Government was apprised of its contents and he had made a public statement to the effect that he felt that the majority of the people of Australia would approve of the policy outlined by Chamberlain and that the Commonwealth Government was in agreement with the statement on all vital points.

The acceptance by the Australian Government of the course of British policy was further illustrated by the concluding paragraph of Lyons's speech. "In view of developments which have taken place, the British Government has decided that it is necessary to revise the British defence policy, and to accelerate the various programmes. The Commonwealth Government is in accord with this decision and also feels it imperative that

measures to bring Australian defence to a level commensurate with national security should be proceeded with as rapidly as possible."[1]

Curtin, rising immediately after the Prime Minister had sat down, made a speech which reflected the discomforts of the Labour Party rather than any consideration of world events. After asking whether world relations had deteriorated so grievously as to make the defence measures approved by Parliament in the previous November quite inadequate, the Leader of the Opposition proceeded to say, in effect, that the world events described by Lyons were not the concern of Australia. He repeated the standard principles of Labour policy on defence, making the point that whereas a British defence policy rightly placed the defence of Britain first, an Australian defence policy rightly placed the defence of Australia first. Did the position in Central Europe make it necessary that Australian defences be multiplied to the extent forecast by the Prime Minister? Were there "any prospective developments in Europe to justify a war hysteria in Australia out of which the war profiteers would reap a harvest? If not in Europe, where else did the danger lie"? Then, after glancing at the Pacific, he added that, with respect to Japan, Australia "ought not lightly to engage in provocative acts".

At this point the debate on international relations was adjourned and, although there were signs of some eagerness on the Government benches to continue the discussion, the Government did not provide another opportunity for debate before Parliament adjourned.

Shortly after Parliament resumed in September, and only a week after the Treasurer, Mr Casey, had brought down a Budget containing proposals for a defence expenditure of nearly £17,000,000 in 1938-39, the House debated the events surrounding the Munich agreement regarding Czechoslovakia. The first reference to the subject was made by the Prime Minister on the afternoon of 27th September when he counselled patience and promised a full statement later. Curtin, amid the cheers of his supporters, immediately said:

> Our view, based upon an acute realisation of all that has happened to Australia in the last twenty-five years, is that the wise policy for this Dominion is that it should not be embroiled in the disputes of Europe. I have said before and I say now that we have not the power to solve or to appease them; and we should not risk the lives of our own people in an endeavour to achieve what appears to be doubtfully possible. The wars of Europe are a quagmire in which we should not allow our resources, our strength, our vitality to be sunk almost, it may be, to the point of complete disappearance. Our first duty is to Australia. Our position is such that the total of our resources must be available for our own defence. This means, clearly and unequivocally, that whatever else we may do as a Dominion of the British Commonwealth of Nations, no men must be sent out of Australia to participate in another war overseas.[2]

On the 28th Lyons reviewed the events relating to Czechoslovakia and presented to the House copies of the various proposals exchanged between Hitler and Chamberlain, together with the main points of the Czecho-

[1] *Commonwealth Debates*, Vol 155, p. 539.

[2] *Commonwealth Debates*, Vol 157, pp. 236-238.

slovakian Government's reply. He also revealed that on 2nd September the Australian Government had informed the United Kingdom Government that it strongly supported the policy set out in the speech of the British Prime Minister on 24th March and reaffirmed in Sir John Simon's[3] speech on 27th August, with special reference to that portion of the speech in which attention was drawn to the impossibility of saying beforehand what Government might not become involved if any active aggression should be committed against Czechoslovakia. The United Kingdom Government was also informed that the Australian Government urged that the Government of Czechoslovakia should not delay in making a public announcement of the most liberal concessions which it could offer and that representations should be made to the Czechoslovakian Government with a view to securing an immediate public statement of such concessions.[4] Lyons concluded that the Government of Great Britain, with the support of the Government of Australia, had been making every effort to preserve the world's peace and this policy of peace had been affirmed by the whole of the British nations at the Imperial Conference of 1937.

In another statement on 29th September, after recounting further developments, Lyons stated that the Australian Government had cabled to Chamberlain on the afternoon of the 28th suggesting the possibility of averting war by a personal appeal to Mussolini and that, early on the morning of the 29th, he had further discussed the same matter by telephone with Chamberlain. Lyons thus revealed that, whereas in April the attitude of the Australian Government had been one of acquiescence, it had now moved closer towards participation in the actual conduct of British diplomacy. Furthermore, in the course of the communications to Chamberlain, the services of the Australian High Commissioner in London, Mr Bruce, had been offered as a possible emissary to the Duce.

The official text of the Munich Agreement was laid on the table of the House by Page, in the absence of Lyons, on 5th October and in doing so he recalled the public expression already given by the Prime Minister of the appreciation of the people of Australia of "the great services rendered by Mr Chamberlain, President Roosevelt, and Signor Mussolini to the cause of peace".[5]

On the Government side the final word was spoken by the Attorney-General, Mr Menzies, in replying to the debate. He expressed the belief that the British Empire exercised its greatest influence in the world—and it was consistently a peaceful influence—when it spoke with one concerted voice. The fact that it spoke with one concerted voice added immensely to the strength and significance of that voice. This required the closest consultation and the fullest expression of mutual views between the British Commonwealth Governments. It would be folly for Australia

[3] Rt Hon Viscount Simon, GCSI, GCVO. Sec of State for Home Affrs 1915-16, 1935-37, Foreign Affrs 1931-35: Chancellor of Exchequer 1937-40; Lord Chancellor 1940-45. B. 28 Feb 1873. Died 11 Jan 1954.

[4] *Commonwealth Debates*, Vol 157, p. 307.

[5] *Commonwealth Debates*, Vol 157, p. 388.

to produce a separate foreign policy but rather Australians should have minds sufficiently informed and sufficiently strong, positive and constructive to be able to say useful things at the right time to the Government of the United Kingdom. He claimed that in fact in negotiations Australian representatives had not been "yes men" but had expressed their own minds freely and clearly.

On another subject raised during the debate—the question of Australian commitments as the result of consultation—Menzies said:

> The simple fact is that at no time from the beginning to the end of these discussions did the British Government ever ask us to say whether we would send troops out of Australia. At no time did it ever ask any question at all about troops. At no time during the discussions, from the beginning to the end of them, was any commitment made in relation to these matters by the Australian Government . . . . My doctrine is that so long as the British Empire is constituted as it is today, it is not possible for Australia to be neutral in a British war . . . . But the extent to which Australia may participate in a war, the means by which she may participate, and the question whether Australian soldiers shall fight on Australian territory or on foreign soil, are matters for determination by Australia or, may I say, by the enemy. Sometimes the enemy may settle the argument for us without more ado.

The views of the Opposition, as expressed by Curtin, again concerned chiefly their objections to any commitments for war service by Australians overseas. The lesson for Australia to be learnt from the recent events was that countries which had relied on collective security or on guarantees had not been saved. Abyssinia, China, Austria and Czechoslovakia were four instances of countries which had found that the major powers were not prepared to fight in order to defend their integrity. Curtin did not criticise the major powers for their failure to act but drew the moral that Australia's duty and first responsibility was to keep out of European disputes, to avoid treaties which might lead her into wars with which she had no concern, and that Australia should do more to ensure its own impregnability against attack.

Most other speakers from the Opposition, in taking the same line, also accepted gratefully the fruits of the Chamberlain policy and were ready to applaud Chamberlain for his work for peace. Beasley added to these sentiments some hints of his suspicion that the Munich negotiations were "lacking in reality" and that some "understanding" had been reached between the parties to the agreement and he was not entirely satisfied that a real danger of war had existed. A slightly divergent line was taken by Ward, who said that imperialist Britain and France had supported a powerful aggressor by becoming an accessory in the dismemberment of the nation they had pledged themselves to support. But Ward gave this description of the events simply as an account of what was inevitable under capitalism and without any particular feeling either about the woes of Czechoslovakia or the honour of Britain and France. He assured members that nobody was more pleased than he was that war had been averted. Coming from a section of Labour which had until recently supported collective security, he also answered charges that the Australian Labour Party was opposed to collective security by saying that it was futile

to ask anybody to believe in something which did not exist. There was only one way in which collective security could be operated and that was by the workers themselves through their own organisations and through workers' governments. He also denied the charges of isolationism saying that the Labour policy was not one of isolation but one of "non-participation in capitalist wars".[6]

Opinion in Australia generally was not opposed to the Munich settlement, seldom bothering about any details but gratefully accepting the fact that it had averted an immediate outbreak of war. This opinion was to be found among intellectuals, conservative politicians, and the working men. There were of course objections in all classes from the minority who were more conscious of the fate of Czechoslovakia and of the means by which peace had been maintained than of the fact of peace, or who were acutely conscious that peace was in any case likely to be only a temporary respite. There was talk in Australia too, as in Britain, of "honour" and "betrayal" and "resistance of fascism", but for the most part the predominant sentiment was one of relief that peace continued, although, particularly in the higher circles of the administration, the peace was seen as a breathing space rather than a definite prospect of freedom from war.

The lesson of unity in the British Commonwealth had also been read by many. The Melbourne *Age* commented:

> The importance of Australia's declaration [of support for Britain] is that it banishes both the hope and the fear that Empire unity, at least as far as the Commonwealth is concerned, would not withstand another crucial test . . . . Endorsement of the British policy, so valiantly directed to the prevention of war, signifies a shared responsibility for its consequences. From that we do not shrink . . . . Australians would wish it to be understood that their attitude is without reservations . . . . Endorsing the Prime Minister's declaration and recognising its significance, they rely upon the Government to neglect nothing that is essential to a state of official preparedness.

At the onset of the crisis emergency defence measures had been taken. An official account of these was given to Parliament on 20th October by the Minister for Defence, Mr Thorby.[7] A meeting of the Council of Defence held on 28th August had surveyed defence plans and completed certain organisation. The ships of the navy, with the exception of the sloops *Yarra* and *Swan,* were concentrated at Sydney to complete full war storage of stores, fuel and equipment; the *Yarra* and *Swan,* which were in Western Australian waters, proceeded to Fremantle. The five ships in reserve were brought into commission and steps taken to expedite work on the cruiser *Adelaide* which was undergoing reconstruction. Local defence schemes were brought into operation to guard vulnerable naval points and preparations were made to provide for the functioning of Darwin as a naval base. The armament and equipment of fixed coast

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[6] *Commonwealth Debates,* Vol 157, pp. 416-42.

[7] *Commonwealth Debates,* Vol 157, p. 1029.
Hon H. V. C. Thorby. MLA NSW 1922-30. MHR 1931-40. Min War Service Homes 1934-36; Defence 1937-38; Works and for Civil Aviation 1938-39; PMG and Min for Health 1940. Of Wongarbon, NSW; b. Sydney 2 Oct 1888.

defences and anti-aircraft defences were brought to a state of readiness and all personnel of the permanent forces were instructed to return to war stations. Certain mobilisation stores and ammunition were moved to their war locations and plans were prepared for reinforcing remote and vital centres by air. Approval was given to recruiting the militia forces up to the peace training establishment of 42,000. Plans were made for the strategical distribution of the air force and for taking over civil aircraft, and preliminary steps were taken to speed production in the munitions factories to the limit of capacity within the shortest possible period.

Thorby also explained to Parliament the comprehensive character of the planning which was enshrined in the Commonwealth War Book and presented an agreeable even if somewhat romantic picture of thoroughness and completeness of preparation. The emergency measures described to Parliament looked better on paper than they were in fact. The War Book planning was in reality still incomplete, the strength of the Services was still not highly impressive. When the Minister said that "the experience gained from the emergency is too valuable to be lost, and it is important that its results should be translated into the improvements shown to be possible", he might have said with greater candour that it had been revealed that Australia was still in a lamentable state of unpreparedness. The most concrete outcome of the Munich affair for Australia was that on 30th September the Defence Committee was called together to discuss the experience of the preceding two days.[8]

Munich did not check German demands. The attempts to appease merged into warnings that there were limits beyond which Great Britain would fight. As early as December, Chamberlain, still "waiting for a sign from those who speak for the German people", said that "it would be a tragic blunder to mistake our love of peace, and our faculty for compromise, for weakness". In March, after German troops had crossed the Czech frontier and Hitler had proclaimed the Protectorate of Bohemia and Moravia, the British Prime Minister expressed the British resolution to oppose attempts to use the threat of force to oblige independent states to yield up their independence, and at the end of March he announced British and French guarantees to Poland.

How far had the Australian Government followed the British Government and how closely had they participated in the fateful diplomatic events of the six months after Munich? They knew what was happening. A statement on the international situation, tabled in the House of Representatives without comment, by the Minister for External Affairs, Mr Hughes, on 20th April 1939, commenced:

> In the six months since the Munich Agreement, British foreign policy has undergone a development without precedent in recent times. In conjunction with France, the United Kingdom has taken an initiative towards the creation of a European coalition against aggression and has in the meantime accepted military commitments to Poland, Rumania and Greece, three states far outside the range of what has hitherto been laid down as the sphere of active British intervention (for example in

[8] *Commonwealth Debates*, Vol 157, p. 1031.

Mr Eden's Leamington speech of November 1936). This development is due to a clear change in the European outlook, a change which has demonstrated beyond doubt that a policy founded on the principle of the orderly settlement of disputes must now give way to the only methods effective against the threat of force. The objective of British policy has not changed; it remains what it was—to secure and maintain peace. But different circumstances have compelled a resort to different means to achieve that aim.

Having seen that change, had the Australian Government also moved consciously from appeasement to the resistance of force? Had they participated in the shaping of the new policy or the devising of diplomatic measures by which it would be applied? The pattern for such participation had been marked out by Menzies when he said that the objective was not to produce a separate foreign policy but "to say useful things at the right time to the Government of the United Kingdom". There are signs that attempts were made to follow the pattern. Very shortly after Munich, in October 1938, the Australian Government encouraged the United Kingdom Government to resume negotiations with Italy, considering that the sooner the Anglo-Italian agreement was put into effect the better, for it would improve relations, eventually affect trade and tend to ensure peace and security in the Mediterranean.[9] As her part in this *rapprochement,* Australia accorded *de jure* recognition of the incorporation of Abyssinia into the Royal Italian Empire.[1] Friendly relations with Italy were considered important to Australia because "it is to our interests that a peaceful and friendly situation should be preserved in the Mediterranean".[2]

It is not easy, however, to change in a few months the habits of a decade during which the United Kingdom had been encouraged to undertake on her own the conduct of foreign policy in Europe. Moreover, on the Australian side, there had not been so constant an interest in world politics as to enable the Government to determine readily and precisely the way in which any particular issue affected the security and welfare of Australia. It was easy to take an interest in the Anglo-Italian agreement, even if that interest was so vague that, in the act of rejoicing at the entry into force of the agreement, Lyons did not know whether or not Australia was a party to it,[3] for there was a traditional principle that free passage through the Mediterranean was vital to the security of the British Commonwealth, and the recent recourse to Mussolini at Munich had indicated

[9] *Commonwealth Debates,* Vol 157, p. 1110.

[1] At the 1937 Imperial Conference the question of *de jure* recognition of the Italian conquest of Abyssinia had been discussed, among the reasons for raising it being that until *de jure* recognition had been accorded it would be impossible to proceed to the negotiation and conclusion of various agreements regarding the frontiers between Abyssinia and Kenya, the Sudan and British Somaliland and in regard to Lake Tsana and British rights and interests in Abyssinia generally. Moreover the absence of recognition had been the subject of complaint by the Italian Government and people and the issue was likely to be forced at the forthcoming meeting of the Assembly of the League of Nations in Geneva by the presence of an Ethiopian Delegation. At the time of the Conference, May 1937, eleven states, including USA and UK, had given *de facto* recognition and seven including Germany had given *de jure* recognition.

[2] *Commonwealth Debates,* Vol 158, p. 1520.

[3] In the House of Representatives on 16 November 1938, after Lyons had announced that a declaration recording the entry into force of the Anglo-Italian Agreement was about to be signed, an Opposition member asked if Australia was a party to the agreement and the Prime Minister had to reply: "I am afraid I am not quite clear on the point". Two days later he gave the information that Australia was not a party to the agreement. *Commonwealth Debates,* Vol 158, pp. 1521 and 1759.

plainly the possible value in Italian cooperation. The Government could not, however, find so readily an interest in the hazardous courses to be steered in Eastern Europe and there is no sign that it took part in any consultation of an effective kind regarding Poland.

The Australian Government was not taking any effective share in the shaping or the conducting of foreign policy but was simply announcing its assent to certain general propositions on which the policy was based. On 21st March the Prime Minister announced:

> After careful consideration of the position the Commonwealth Government has assured the British Government of its readiness to cooperate with it in its endeavours to deal with the international situation, and has expressed its whole-hearted support of the efforts which the Government of the United Kingdom is now making to ensure the peace and security of the world from further encroachments by force on the freedom and independence of other nations.

It is not clear to what "endeavours" and "efforts" the Prime Minister's statement referred. The reference would appear, however, to have been general rather than specific. From statements by Lyons on the 17th, 19th and 23rd, as well as the 21st, it can be deduced that Australia endorsed the propositions that there could be neither peace nor security until the aggressor nations had been halted; that the peace-loving nations must make plain their determination to resist attempts on the part of one nation to achieve wide domination by force or the threat of force; and that the time for making further concessions in the hope of preserving peace had passed. On those general propositions it had supported the United Kingdom but had not sought consultation or tried to influence it regarding the specific policies by which the halting of aggression and the resisting of force were to be achieved.

There was some limited discussion of detail, some doubt and some questioning from minorities, either the learned or the captious, but, by and large, vocal opinion in Australia appeared to be in support of the Government. The unifying force for Australia as of the British Commonwealth was not a common conclusion from an analysis of events but a common danger. A call for volunteers for the militia roused an immediate response. Within three months the target had been passed. For home defence men of all callings in all parts of the continent enlisted in their thousands and henceforward gave their nights and their week-ends to training parades in preparation for war. By May 1939 the militia had grown to 75,000 as the result of over 40,000 enlistments.

10—THE LAST PHASE OF REARMAMENT

By its acceptance of Munich the Government incurred an urgent responsibility to accelerate rearmament for, in the course of diplomacy which was leading the Australian people along the edge of a war, strength would be one of the most persuasive arguments, particularly when fused by Imperial cooperation, and, if diplomacy failed in its purpose of peace, strength alone would save the nation and the British Commonwealth.

The acceleration of rearmament was attempted. As already shown, a steady rise in defence expenditure had commenced in 1933 and a three-

year programme of new construction had been inaugurated in 1934-35. By 1936-37 annual defence expenditure had regained the pre-depression figure which, in lack of any other standard, might be regarded as the normal provision for Australian defence in peacetime.

The pre-depression programme of the Bruce-Page Government had been planned, however, to provide only a nucleus force and it had been developed at a time when disarmament, the League of Nations and regional pacts were believed by many to offer some hope of peace. To regain that modest level was certainly not a sufficient preparation for an impending war. Moreover, the nucleus force and the organisation obtained in 1936-37 were probably a good deal less effective than those built from an equivalent expenditure ten years before. The experience, training and material from the war of 1914-18 were less of an asset than they had been ten years earlier. The navy of 1926-27, with its two new cruisers, seaplane tender, and two new submarines had been more up-to-date for its times than was the squadron of 1936-37. In ten years the army establishment had been reduced and voluntary enlistment in 1936-37 was still lagging behind the approved strength. Lyons, in spite of the agitation of some of his party, refused to consider the reintroduction of compulsory training. Having regard to the mechanisation and higher mobility being sought by the military forces of other lands, this under-manned, under-equipped, under-trained force of 1936-37 was comparatively a weaker defensive arm than the one whose deficiencies had been deplored in the last report of the Inspector-General of the Australian Military Forces in 1929.

The air force stands the comparison better, for the pre-depression force had been almost negligible as a fighting service. The lack of balance between the air and the other Services was being redressed by applying a plan which had been drawn up as long ago as 1928. As for munitions and supplies, the Australian potential was higher, for heavy industries and other industrial undertakings had been stimulated during the depression, but the tasks of organisation to ensure the prompt and effective use of this potential strength had not been carried far.

The comparison becomes even more unfavourable if a careful distinction is made between the proportion of the annual votes being spent on maintaining the establishment and the proportion spent on new equipment and material. In the pre-depression years from 1923 to 1929 there had been a capital expenditure of about £10,000,000 on cruisers, aircraft, factories and other works, while provision for maintaining the services had been voted at a rate of about £5,000,000 a year. During the five years of the depression there had been practically no capital expenditure of any kind and maintenance had been cut so low that it did not check the wastage and deterioration of existing defence assets. From 1933 to 1937 the Lyons Government had gradually restored the establishment until in 1936-37 the vote for maintaining the three services and munitions supply was over £6,000,000 a year, but the total capital expenditure on naval construction, reconditioning of equipment, aircraft, arms, munitions,

defence works, civil aviation landing grounds, buildings and so on during the four years had been only about £3,750,000. More than that had been placed on the Estimates but already a warning sign had appeared in the fact that the Administration was not able to spend all the money voted for defence.

The nucleus defence force of 1937-38 may appear on paper to have regained the pre-depression level. The payroll cheque and the cost of running defence services were even a little higher than they used to be, but it was equally obvious that the greater part of its arms and equipment were old, that the rate of restoration was slow and the organisation of rearmament was lagging. Faced with the clearly apparent dangers of 1938 the nation had to make a mammoth effort of finance, planning and organisation to turn the peacetime nucleus forces into an effective system of home defence, or into a fighting machine able to cooperate with the other nations of the British Commonwealth for the winning of any war that might be forced upon them.

The 1937-38 Budget, approved in December 1937, had allocated £11,500,000 for defence—an increase of £3,000,000 on the actual expenditure for the previous year. On 27th April 1938, the day on which Parliament resumed after an adjournment of four months, Lyons presented an international relations paper concluding with the statement that, in accord with the British decision to accelerate rearmament, the Australian Government felt it imperative to do likewise. Later on the same evening he outlined to the House a defence programme adopted by the Government following "a comprehensive review of the whole of the defence organisation throughout Australia". The programme provided for an expenditure of £43,000,000 in three years distributed as follows: navy, £15,000,000; army, £11,500,000; air force, £12,500,000; Munitions Supply Branch, £3,000,000; plans for the organisation of industry, £1,000,000. "New" expenditure, considered apart from expenditure on the maintenance of existing services, accounted for £24,800,000 of the total and was to be distributed as follows: navy, £7,750,000; army, £5,500,000; air force, £8,800,000; government munitions factories, £1,750,000; and £1,000,000 for the organisation of civil industry for an emergency. Allied with the expansion of each of the services, the Government also decided to obtain a senior officer from the British Army to report to it on the state of the military forces, to ask that the Inspector-General of the Royal Air Force be made available to report on the proposed expansion of the air force and to appoint the Australian Controller-General of Munitions Supply, Mr Brodribb,[4] Inspector-General of Defence Works and Supplies "in order to provide for expedition and efficiency in the construction of special defence works and the completion of local defence supplies".[5]

[4] N. K. S. Brodribb, CBE. Chemical Engineer, Dept of Defence 1909-37. Cont-Gen Mun Supply 1937-40 and 1945-50. Asst Dir-Gen Munitions 1940-45. B. Kew, Vic, 27 Dec 1885.

[5] The decisions to seek British opinions on army and air force needs were in keeping with the deference the Government had shown to British opinion in matters of detail at the time of the 1937 Imperial Conference. The same deference was shown in the appointment after war broke out of two Englishmen as Chief of the General Staff and Chief of the Air Staff. Already the First Naval Member was an Englishman.

Summarising the whole plan, the Prime Minister said:

> The scheme of Australian defence is related to a wider pattern of Empire defence, and its fundamental basis is Empire sea power and the Singapore Naval Base. Nevertheless, complementary to this conception of Empire collective security we should do all that we can to defend ourselves, and the new programme is claimed to be a substantial step towards this end. It will provide for the cruisers necessary for trade defence in our local waters; it will greatly strengthen the land, sea and air defences of the main ports and centres of population; it will strengthen the equipment and munitions reserves of the field army and increase the permanent personnel and the general standard of efficiency; and finally, it will provide greater resources for the local production of munitions, and complete the national planning of all phases of activity associated with the defence forces.[6]

In May a loan appropriation of £10,000,000 for defence was approved and £4,000,000 raised almost immediately. This expansion had already been commended to the people of Australia in a broadcast by the Prime Minister over 106 stations—a hooking up of national and commercial radio for an official announcement which at that time was almost without precedent. Mr Lyons described this three-year programme as a flexible one, to be increased or decreased according to the trend of the international situation.

The financial year 1937-38, for which £11,500,000 had been provided, was regarded as the first year of the programme. The second Budget, that for 1938-39, was brought down on 21st September 1938, at the time of the Munich negotiations and provided for an expenditure of £16,796,000, of which £9,922,000 was to be "new" or capital expenditure on works, ships, aircraft, equipment, stores, ammunition and the like. About half the total was to come from loan and half from revenue, the latter half including an unspent balance of £1,800,000 from the 1937-38 programme. The estimate was later increased slightly to provide for expanded militia training.

In November 1938, after the Munich crisis, Lyons announced that, as a result of a careful review of the defence position during that crisis, the Government had decided that certain parts of the programme should be accelerated and that the programme should be further extended.

The third Budget in this rearmament programme was the one for 1939-40 brought down by the Menzies Government on 8th September 1939, but prepared before the outbreak of war. Before being replaced by a special wartime Budget it proposed a total expenditure of £35,101,000 in the Departments of Defence and Supply and Development, including capital expenditure of £23,016,314.

The estimates were modest enough, but in the two pre-war years of the programme the actuality was much less heartening than the estimates. The actual expenditure for the first year was £9,774,000 (or £1,736,000 below the estimate) and for the second year £13,839,000 (or more than £3,000,000 below the estimate). The lag in the programme was almost wholly in capital expenditure—that section of the proposals that was

[6] *Commonwealth Debates*, Vol 155, p. 561.

devoted to the effective expansion of the system. At the end of the first two years of this "flexible" programme, two months away from war, only £23,612,000 out of the anticipated total of £43,000,000 had been spent and the programme of £24,800,000 capital expenditure on ships, aircraft, munitions and military equipment was scarcely more than a third of the way to completion.

This experience was not confined to the Defence Department. A conference of Commonwealth Works Directors, held in Canberra in January 1939, had before it the fact that, at the end of December 1938, authorised works totalled £2,126,490; actual expenditure £450,749; works outstanding £595,203; and the balance still available £1,612,856. At a departmental and service conference called after the change of government, the position on 30th April was reported as follows: total programme, £6,442,487; amount authorised, £3,874,724; amount expended, £871,692.[7]

In a public address at Canberra in January 1938 the Federal Treasurer, Mr Casey, had assured a questioner that there would be no stinting of money for defence. "I can tell you this, that defence is the only department of the Commonwealth Government that, from the financial point of view, has been able to write its own ticket. Any money defence wants it can get, and I assure you this situation will remain."[8] There is no reason to doubt Mr Casey's sincerity. His advocacy of rearmament was known. He was saying publicly what he was understood to have said in Cabinet. But many Australians wondered why defence was writing its ticket so modestly. Then Mr Casey in introducing the Budget of 1938-39 had spoken of £16,796,000 as a "formidable" figure. Did this mean that even those at the centre of administration had a limited view of the need for defence? It was true that the 1938-39 figure was nearly twice as much as Australia had ever spent in a single year and four times as much as she had been spending five years earlier, but it was a tiny proportion of the nation's resources and the dangers were great and so immediate.

Perhaps more than anything else the modesty of the defence proposals at this period was due to a defect, not of the will but of the imagination. It is necessary to go back to the times, conscious of the shadow of the depression, the unemployment, the fears of another economic recession engendered by a fall in export prices after 1936-37, the cautious budgeting. The Prime Minister proudly defended his programme and should be heard in his own defence, replying to a no-confidence motion by the Leader of the Opposition in November 1938. The Opposition had alleged that the Lyons Ministry had failed to show leadership in regard to urgent national problems and referred *inter alia* to its handling of defence. Lyons was readier to reply on the subject of defence than on some of the other

[7] Defence Department file 437/401. This unsatisfactory situation would appear to have been due to defects in administration and not to defects in purpose. As early as 16th December 1937 Cabinet decided, on a submission from the Defence Department, to instruct the Department of the Interior to give priority to urgent defence works without reference to the Public Works Committee. They had before them at that time a report that works were lagging and that, in the case of new government munitions factories, the machinery was likely to be delivered before the buildings were ready.

[8] W. G. K. Duncan editor, *Australia's Foreign Policy* (1938), p. 67.

questions raised. He pointed out that the average annual defence expenditure during the five-year programme of the Bruce-Page Government had been £6,700,000; under the Labour Government it had dropped to £3,200,000 and under his Government had steadily risen until, in the current year, 1938-39, it was estimated that nearly £17,000,000 would be spent. On the completion of the current programme the naval defences would have been increased by the addition of three six-inch-gun cruisers, the modernising of the *Australia* and the *Canberra,* the conversion of the *Adelaide* to oil burning, the local construction of sloops, the increasing of the permanent seagoing personnel by 2,950, the provision of local seaward defences, including booms and boom defence vessels at the principal harbours, an increase in oil storage and reserves of naval stores and ammunition, and the erection of strategic naval wireless stations at Canberra and Darwin. Military measures would have included the completion of fixed coast defences at the main ports, anti-aircraft defences, an increase of 2,140 in the permanent military forces, mainly for manning fixed coast and anti-aircraft defences and the Darwin mobile garrison. The Royal Military College was being expanded and a Command and Staff School established for higher training. The Government had completed the first part of the Salmond scheme for the air force by June 1937, and would complete the second part in the next three years, increasing the number of squadrons from two to seven, with additional depot and training establishments. The first-line aircraft would be increased from 30 to 198 and the permanent personnel would be increased by 4,560. The Government's advisers considered that these increases were the maximum that could be developed in the next three years, having regard to the extensive ground organisation to be provided and the men to be trained. Under Government encouragement the aircraft industry had been established in Australia and other aircraft had been ordered from Great Britain. Existing munitions factories had been modernised and extended and steps were being taken to organise industry and establishments such as railway workshops to supplement the government factories in an emergency. The new types of munitions being manufactured included anti-aircraft guns and Bren machine-guns and additions had been made to the gun-manufacturing plant. Finally Lyons announced the intensive drive, referred to above, to bring enlistment of the militia forces up to a strength of 70,000 while retaining the voluntary system. This enlistment would be for home defence only and for service within the Commonwealth; the Prime Minister gave a categorical assurance that he did not propose to attempt any amendment of the *Defence Act* on that subject.

The Minister for Defence, Thorby, covered the same ground with enthusiasm and spoke with animation of the progress being made towards an improved ordnance and munitions supply.

Lyons, in defending himself against attack, and Thorby, enthusiastic over his department's achievements, had in reality spoken more of their intentions than their accomplishments. In retrospect their intentions may seem limited enough, having regard to the times, but the accomplishment

was far less. Their failure to see a greater need might be excused, but what of their failure to accomplish what they had deliberately planned to do?

There were various difficulties in the way. Other countries of the world were rearming too. Orders for aircraft placed overseas could not be promptly filled. In place of the modern reconnaissance aircraft ordered from the United Kingdom, they had to take on loan a number of less modern aircraft as an interim measure. Services which had suffered from malnutrition for years could not be expected to spring into vigorous activity in a day. There were considered to be difficulties of finance, with limits on the amount of taxation that it was advisable to levy, and the amount of loan money that could be raised. Public works for the sake of employment were a cardinal feature in Federal and State bargaining.

Some of the graver disabilities of the Government in approaching rearmament were to be found within itself. Election defeats, reshuffling and resignations had weakened its administrative experience. The field was not one in which Lyons, by training and temperament, was well equipped to give forceful leadership. He had come in at the head of a coalition to uphold ideas of "sound finance" during the depression but now the situation called for a bolder and more adventurous outlook on the mobilising of national resources. He was a mediator, a coordinator, a harmoniser but the hour called for greater energy and drive and great constructive ability from those directing rearmament. Among the Government supporters were small groups who were openly discontented with the defence policy—some who wanted a reintroduction of compulsory training to give a stronger militia, some who wanted larger expenditure on defence. There were perhaps others who felt that their talents were not being fully used.

The no-confidence motion of November 1938 was in large part an attempt by the Opposition to capitalise discontents among the Government's supporters and to make them squirm in public. The speech of Curtin in proposing the resolution contained many of these circumlocutions which were characteristic of Curtin's speeches when he was not happy about what he was doing, and this speech was confined to broad charges that the Government had failed to make provision for the defence of Australia and that the money voted had been wasted owing to bad administration, bad leadership and a failure to have a constructive grasp of the essentials for an Australian defence.[9] The Deputy Leader of the party, Forde, however, in making a speech which from the party point of view was more forceful than that of his leader, very clearly drew attention to many of the conflicts, mainly of a personal kind, within the Government, and found much satisfaction in quoting the Melbourne *Herald* to the effect that "the weakest link in Australian defence today is the Federal Cabinet".[1]

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[9] *Commonwealth Debates*, Vol 157, pp. 1092-1100.

[1] *Commonwealth Debates*, Vol 157, pp. 1110-1118.

At the election of 1937 the United Australia Party had been unfortunate in losing the services of Sir George Pearce who, after having sat continuously in the Senate since 1901, and having been Minister for Defence for a total of some fifteen years, had been defeated in Western Australia. Parkhill, his successor to the Defence portfolio in 1934, had also lost his seat at the 1937 election. After the election Lyons had allotted Defence to Thorby, the Deputy Leader of the Country Party, who applied himself assiduously to the job but had a limited term and limited opportunities. At the end of 1938 when, for convenience in administration, Lyons formed a sort of inner Cabinet, the Defence Minister was not included in it. It was an open secret that at the same time, when he decided to transfer Thorby from the Defence Department, two senior members, Menzies and Casey, who placed defence high among the responsibilities of the Government, both intimated to their leader their views on the importance of the office, the necessity to make defence one of the major tasks, and their willingness to accept the portfolio should he so choose. Lyons, however, chose Street,[2] a younger member without ministerial experience, to be Minister for Defence and did not include him in the inner Cabinet. Street, taking office at the end of 1938, brought enthusiasm and a knowledge of soldiering to his office, together with the frank and agreeable manners of an honest and manly character, but any minister needs a year or two to learn the ropes and war was less than a year away.

There was also inertia and even some resistance to be overcome in the country. The International Peace Campaign, reaching full tide in 1937, had left stranded on the beach, in nothing but the garments of peace they stood up in, many sincere leaders of opinion. The industrial left wing of the Labour movement was resisting rearmament by Australia until the end of 1938 and their distrust of the "profit motive" in war made trade union cooperation tardy. The situation was one that called for a national effort and, apart from the militia recruiting campaign, there was no dramatic or urgent appeal for such an effort.

The public discussion of defence by enthusiasts which was noted in the earlier stages of rearmament had of course been continuous and, with the changes of the situation, the debate had grown in urgency even if its audience was still limited. The centre of discussion had also shifted from the rival claims of the different services to a broader consideration of the defence system. It is perhaps characteristic of the way in which the mind of the country was changing that argument now took place more often on the question of how much the country could afford to pay.[3]

[2] Brig Hon G. A. Street, MC. (1st AIF: BM 15 Inf Bde.) MHR 1934-40. Min for Defence 1938-39; Army 1939-40. B. Sydney 21 Jan 1894. Killed in aircraft accident 13 Aug 1940.

[3] Estimates of the capacity of Australia to finance a defence programme varied considerably. W. C. Wentworth, in a book setting on how Australia could repel Japanese raids or invasion, proposed an expenditure of £150,000,000 a year. An economist, analysing Australian public expenditure and national income, admitted that "if Mr Wentworth convinces us that we need to spend £150,000,000 a year on defence, his proposal is not outside the bounds of financial practicability", but, on making an independent examination of Australian defence the economist reached the conclusion that, by an original capital charge of between £60,000,000 and £70,000,000 and an annual charge, including replacement, of £24,000,000 Australia could obtain "fairly complete naval protection" and, as this annual charge was only 3 per cent of the national income and 2.6 per cent was already being applied to defence in the 1938-39 Budget, it seemed a small premium to pay to

A report on defence prepared for the Constitutional Association of New South Wales dated March 1939, and issued as a pamphlet under the imprint of the association and the National Defence League of Australia reached the general conclusion that Australia lacked the sea power to keep an invader away, that she probably could not repel a powerful and determined effort to land an army, and did not yet have an army of the size and calibre to inflict a decisive defeat on a formidable and trained enemy once he had obtained a foothold. Against an attempt to seize isolated territory for the purpose of founding a permanent occupation Australia lacked the sea power to cut the enemy's communications and the transport facilities to give a "retaking expedition" a good chance of success. Against naval bombardment Australia did not yet have sufficient defences and against air bombardment from the sea she had "a highly questionable protection". Australia could not break a blockade.[4]

A paper prepared for the British Commonwealth Relations Conference held at Lapstone in September 1938, referred in its concluding section to the necessity, the willingness and the capacity of Australia to increase defences, and expressed the view too that the "differences of opinion in the services have subsided to some extent" and that it was now being recognised that all services were vital.[5]

The public debate, however, was still concerned almost solely with home defence in the sense of resistance to a Japanese invasion and the protection of Australia against raids or blockade. Publicists still tended to disregard those overseas events which might considerably modify the actions of the prospective enemy or the prospective allies of Australia, or which might influence the nature of Australian participation in a war. They made little or nothing of any prospective contribution by Australia to any allied campaign. The common thought seemed to be that Australia would have enough to do to keep herself alive while someone else won the war. There was a general belief that, sooner or later, war would bring an attack on the Australian continent. In public, the talk was mostly of local defence.

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maintain seaborne trade and meet the risk of invasion. See W. C. Wentworth, *Demand for Defence. Being a Plan to keep Australia White and Free* (1939); and Colin Clark, "How much Defence can we afford?" *The Australian Quarterly*, Vol XI, No. 2, Jun 1939, pp. 18-27. For an earlier discussion of the financing of defence programmes by the same author, see Colin Clark, "The Economist and Rearmament" in *University Studies in History and Economics*, University of Western Australia, Apr 1938, pp. 7-22. Although reviewers and other commentators had some fun with Mr Wentworth's conceptions of strategy and thought he was aiming rather high, they welcomed his demands for more resolute action. See particularly the review by Gerald Packer in *The Australian Quarterly*, Vol XI, No. 2, Jun 1939. A note by Gerald Packer in the *Economic Record*, Vol XIV, Dec 1938, commenting on the three-year programme and the unsatisfactory state of the defences, pointed to the need to add to reserves of raw materials, equipment and munition factories and to improve communications and estimated that this would raise the total of the programme from £43,000,000 to nearly £100,000,000. The writer, however, found that the prospect of an annual expenditure for the next three years of £30,000,000 a year—or about 4 per cent of the national income—was, from a budgetary point of view, "staggering".

[4] *Review of Defence*, the Constitutional Association of NSW, 1939, p. 55.

[5] P. F. Irvine, *The Defence of Australia*. Australian Institute of International Affairs. Australian Supplementary Papers: Series D, No. 3. Prepared for the British Commonwealth Relations Conference 1938. Mimeographed.

CHAPTER 3

PREPAREDNESS, 1938-39

1—A CHANGE OF GOVERNMENT, APRIL 1939

THE accession of Mr Menzies to the Prime Ministership at the end of April 1939, following the death of Mr Lyons, affords a convenient point at which to turn from a consideration of developments in the period between the two wars to a consideration of more urgent preparations for the waging of war. Although war was still four months away and although the Menzies Government came to power through causes unrelated to war, the course of events made war its major preoccupation. This Government, shaped not in the normal course of electioneering but from the chances of human mortality, had laid upon it the duty of mobilising a nation for war and undertaking the unaccustomed tasks of wartime administration throughout the greater part of its life. To a large extent it inherited the policy of the Lyons Government, in which its leading members had held office, and its activities in preparation for war were continuous from measures initiated under Lyons. Yet, at the same time, a greater directness and purposefulness and a clearer consciousness of the impending event is discernible after Menzies takes office.

The contrast between the new and the old Prime Minister was dramatic. Menzies was younger, more brilliant and more acutely aware of the state of the world than Lyons. It would be wrong to both men, however, to imagine that Menzies had been called by the nation as a strong leader in a time of peril. It was quite otherwise. Menzies had a disputed succession and he took over the leadership of an unhappy party. These facts, as well as the fact of impending war, set him two major problems of statesmanship and it was necessary for him to wrestle with both.

The Lyons Government at the beginning of 1939 had showed signs of having outlived the reasons for its creation. It was an emergency government which had lasted longer than the emergency and about twice as long as most governments formed in more stable conditions manage to last. It was formed to assist recovery but had continued in office after recovery had been achieved. It was a government whose unusual political character had grown out of the fears prompted by an economic depression and it was now required to give reassurance in face of fears of an entirely different kind.

The tributes paid to Lyons after his death bear testimony to his uprightness, his understanding, patience, forbearance and tolerance. He was called "an average Australian" as a tribute to his humane and manly qualities and "one of the most honourable, straightforward, large-hearted men who ever took part in Australian political life". His associates said he had no dazzling gifts but great political capacity and shrewdness. Hughes said "Few leaders have had to face more delicate or more complex situations

in Parliament or in the party rooms. Certainly none has handled them with greater success". Curtin spoke of his political aptitude but praised most highly his qualities as a man, finding him remarkable not because of his attainments so much as because "throughout his years he remained a man in whom the simplicities of life were never in any way distorted".[1] By the qualities of his personal character and political shrewdness and a simple Australian patriotism he had held a government together for seven years and had given stability and confidence during a period of recovery from great difficulty but men, and not only ambitious men, were asking whether the qualities he had were those needed at a time when the nation had to stop looking backwards to the depression and look forward to meet an even greater danger from the outside world. Lyons was not an imaginative man or an originator of ideas. It was said of him that he had no strong political views of his own, but he would loyally and zealously advance the agreed policy of his Cabinet. Inasmuch as men look to find in others the sort of virtues they have in themselves he would prize such loyalty and zeal in his colleagues rather than force and originality.

Although the death of Lyons was unexpected by the public, the Prime Minister and a few of those most closely associated with him had known for at least six months before his death that he had not long to live. He had also known that war was coming and, apart from the limit on his life, that he himself would not make a good wartime Prime Minister. His heart was not in war. He was in all things a man of peace. If war came, so he confided to one of his intimates early in 1939, he would hope to be able to resign. His uncertainty about his own tenure and about a successor would appear to be indicated by the feelers he put out shortly before his death for an all-party "national government".

Among those who knew nothing about the Prime Minister's health—and the seriousness of his condition appears to have been known only to a few—there was also considerable speculation about how long he could continue to hold his Ministry together and what political possibilities would be left open if he failed to do so. There was a real prospect, heightened by Curtin's steady progress in his task of unifying and solidifying Labour, that at the 1940 general elections a Lyons Ministry would be defeated and, partly in anticipation of that election and partly because of the strain among Government supporters, there had been some turning over of ideas about the reshaping of the non-Labour forces and consequently some stirring-up of personal ambitions.

The senior member next to Lyons was Page, who had accumulated nearly twelve years of Cabinet experience and had been coadjutor to two Prime Ministers. He had drawn very close to Lyons. As medical adviser and friend, as well as colleague, he probably shared more of the private hopes and forebodings of Lyons than anyone else in the Ministry. But Page was leader of the Country Party—the weaker member of the coalition

[1] See in particular the obituary notice in *The Round Table*, Vol XXIX 1938-39, pp. 622-623; the contributed notice by B. S. B. Stevens in *The Australian Quarterly*, Vol XI, No. 2, p. 5, and the speeches in *Commonwealth Debates*, Vol 159, pp. 6-8.

—and could have no chance of the Prime Ministership unless the United Australia Party was irreconcilably divided over its own leadership and failed to find a successor to Lyons.

The Deputy Leader of the United Australia Party until shortly before the death of Lyons was Menzies, who had entered the Cabinet as Attorney-General in 1934 after transferring to Federal politics from Victorian State politics. His friends had confidently predicted for some years that he would be Prime Minister but, at Canberra so far, his superior gifts had distinguished him as a man whom it would be extremely difficult to out-rival rather than as one whom it would be natural to follow. He himself appears to have become somewhat irked by the conditions within the party and dismayed at the slowness of the Government. Eventually, in March 1939, he handed in his resignation to Lyons when, after elaborate preparations, the Government's national insurance scheme was shelved. In a public statement he said that he must resign because he could not "honourably escape" the pledges he had given to introduce such a scheme.

The Ministry had on other occasions revealed its internal dissensions and members had not always kept their personal disappointments and discomforts to themselves. The Opposition was able to taunt the Government with disintegration and point to the fact that eight former ministers who had left it for one reason or another were now sitting on the back benches. As recently as November 1938 the Leader of the Government in the Senate had resigned because he thought that he was being eased out of the Cabinet,[2] and a few days later another minister had resigned the day after he had been sworn in because his seniority had been changed without his knowledge. The Opposition could play upon known differences of opinion inside the U.A.P. and, in particular, they could find enough rumours and even a few public disputes to use in prying the coalition apart by alleging that Lyons was allowing the Government to be run by a minority of fifteen Country Party members. When Menzies resigned over the shelving of the national insurance scheme the Opposition reminded a number of other ministers and private members that they had been made to turn public somersaults, too, and that the "excuses offered by the Prime Minister for the abandonment of the original national insurance scheme are so transparent as to be ludicrous". They fed some members' own dark thoughts by publicly commenting "it is now clear that Sir Earle Page has been the element of disintegration in Federal Cabinet for a long time". This partisan use of the discontents of the Government parties is not evidence concerning the subject matter of those discontents but does illustrate the political weaknesses into which those parties were falling.[3]

To some extent the pre-eminence of Lyons had been due to the fact that he alone was respected and acceptable among a group of persons who did not all respect and accept each other and originally had belonged to different parties. When he died there was no other person who so commended himself.

[2] See A. J. McLachlan, *McLachlan: An F.A.Q. Australian* (1948), pp. 255 et seq.
[3] *Federal Labour Party, Official Bulletin*, Vol 2, Nos. 1-11 (mimeographed).

Owing to the resignation of Menzies, the U.A.P., which was the larger party in the coalition, was considered to have no deputy leader at the time of Lyons's death and his end came so quickly, in a coma, that no advice could be given by the Prime Minister to the Governor-General regarding the succession.[4] In these circumstances Page, who as Country Party leader had occupied the Deputy Prime Ministership as part of the terms of the coalition, was appointed to form a stop-gap ministry. The question then was whether Page could turn the stop-gap ministry into a permanent ministry by combining an anti-Menzies section of the U.A.P. with the Country Party and defying the supporters of Menzies to vote with Labour. He was not able to do so.

Menzies was elected leader of the U.A.P. by a narrow majority over Hughes but, both before and after his election to the party leadership, there were attempts to find an alternative candidate for the Prime Ministership. Various names, including that of the Premier of New South Wales, Mr Stevens,[5] were freely mentioned but the main move was an attempt by Page to induce his former colleague and leader, Mr Bruce, who was on his way back to his post as High Commissioner in London after a visit to Australia, to return to active public life in Australia. Bruce declined Page's offer to resign his own seat to enable Bruce to re-enter Parliament, but showed some interest in the general proposal. His attitude was that, reluctant as he was to re-enter politics, he was prepared to do so provided he was not associated with any party. If it was the wish, he would become Prime Minister, but on the understanding that he could call a meeting of all his supporters in Parliament at any time he considered necessary, that this right would not interfere with the right of the U.A.P. and the Country Party to continue to hold their separate party meetings in the same way as they had always done, and that he would have the right to bring any individual into the Government, irrespective of whether he belonged to any party or whether he was a member of Parliament. Bruce had been a Prime Minister leading a coalition for nearly seven years, during which his followers, members of the U.A.P. and Country Party, had always met in separate rooms and he had never been able to meet them all together at one time. His view of the dangers ahead was apparently responsible for his wish to be able to make use of exceptional individuals for exceptional Cabinet tasks.

The communications with Bruce did not lead to any action. Apparently Bruce's attitude was misunderstood as a proposal for something in the nature of a national government—or as Page described it "a government comprising members of all parties, irrespective of their affiliations". Page, in informing Parliament of his communications with Bruce, said that the Country Party desired such a government and that if the leaders of the

[4] It was contended in the interests of Menzies that he was still deputy leader of the party and that he had only resigned from the Cabinet, but this view did not gain general acceptance.

[5] Hon Sir Bertram Stevens, KCMG. MLA NSW 1927-40; Premier and Treasurer 1932-39. Consulting Accountant; of Sydney; b. Sydney 2 Jan 1889.

three parties could agree upon the choice of a national leader, he personally would be willing to serve under him.

It is difficult to understand how anyone at that juncture could have regarded an all-party government as practicable. Earlier suggestions for a national government had not received any encouragement. As recently as 3rd April Curtin, responding to what he termed "a desperate feeler put out by the Prime Minister, Mr Lyons, for a national Cabinet", had said that to enlarge the present coalition would not give Australia a national government but would only give the government a name. "Mr Lyons is flying a kite to save the Prime Ministership rather than to serve the country."[6] Read in its political context, Page's communication with Bruce and the interpretation which Page put on the reply appear less like a search for a national leader than an attempt by Page first to nominate the leader of the United Australia Party and, after that attempt failed, a move by Page to displace the leader which that party did elect.

Curtin spoke the sense of Australian politics on the subject of all-party governments when he commented:

> If there could be anything worse than a government consisting of two parties it would be a government consisting of three parties. Such a combination would not be government, it would be a society of disputation and debate; decisions would never be reached; determinations could not be arrived at, let alone carried out . . . However good a government may be, it will be all the better if it is composed of men who subscribe to one set of political principles, who are united in their outlook upon the problems of the country, and who may as a team translate into reality ideas that they have as to the way in which the country should be administered. That government would be a government of leadership and action. And any government, even if it has the best policies, would do far better service to the nation if there were arrayed against it in Parliament an Opposition courageous, intelligent and patriotic. It is not a good thing for democracies to have governments that are unchecked by criticism or by honest opposition.[7]

The nature of Page's activities was demonstrated when, after the U.A.P. had elected Menzies and it was certain that he would be commissioned to form a ministry, Page sought an adjournment of Parliament in order that he might tender his own resignation and that a new ministry might be formed. He chose the occasion to deliver a personal attack on Menzies charging him with lack of courage, loyalty and judgment and unfitness for office and encouraging Parliament to try to find someone else as Prime Minister. From the lips of a Prime Minister, it was an ill-seeming speech. It might be excused from the criticism of being deliberately destructive if one accepts the sincerity and urgency of Page's views concerning the dangers facing Australia and his belief that Australians were incapable of facing them except under a leader who was *persona grata* with the Country Party. It might be excused from criticism of being mean, ungenerous and paltry if one recognises that the death of Lyons, with whom Page had of recent months come into intimate friendly association, had deeply affected an ardent nature and that Page himself was in indifferent health at the

[6] *Federal Labour Party, Official Bulletin*, Vol 2, No. 9.
[7] *Commonwealth Debates*, Vol 159, pp. 20-21.

time. The speech was entirely Page's own. Before he entered the Chamber, his intention being known, at least one senior member of his party tried to dissuade him from his purpose and a dismayed personal staff had tried to prepare an alternative draft for him; but he was determined on saying what he felt and prejudiced his own reputation in the House, and eventually lost the leadership of his own party, by so doing.

A brief and dignified reply by Menzies enhanced his standing, but nevertheless the moral was still obvious for the Opposition to draw. "The coalition has survived since the last election, it will now be universally recognised, solely because of the personal influence of the late Prime Minister," said Curtin, "and with his passing all of the inevitable points of collision, some political, but it would appear the major ones personal, have come to the surface."[8]

In the following week Menzies was commissioned to form a government, and on 26th April a ministry drawn wholly from the United Australia Party but depending in the House on a continuance of support from the Country Party was sworn in.

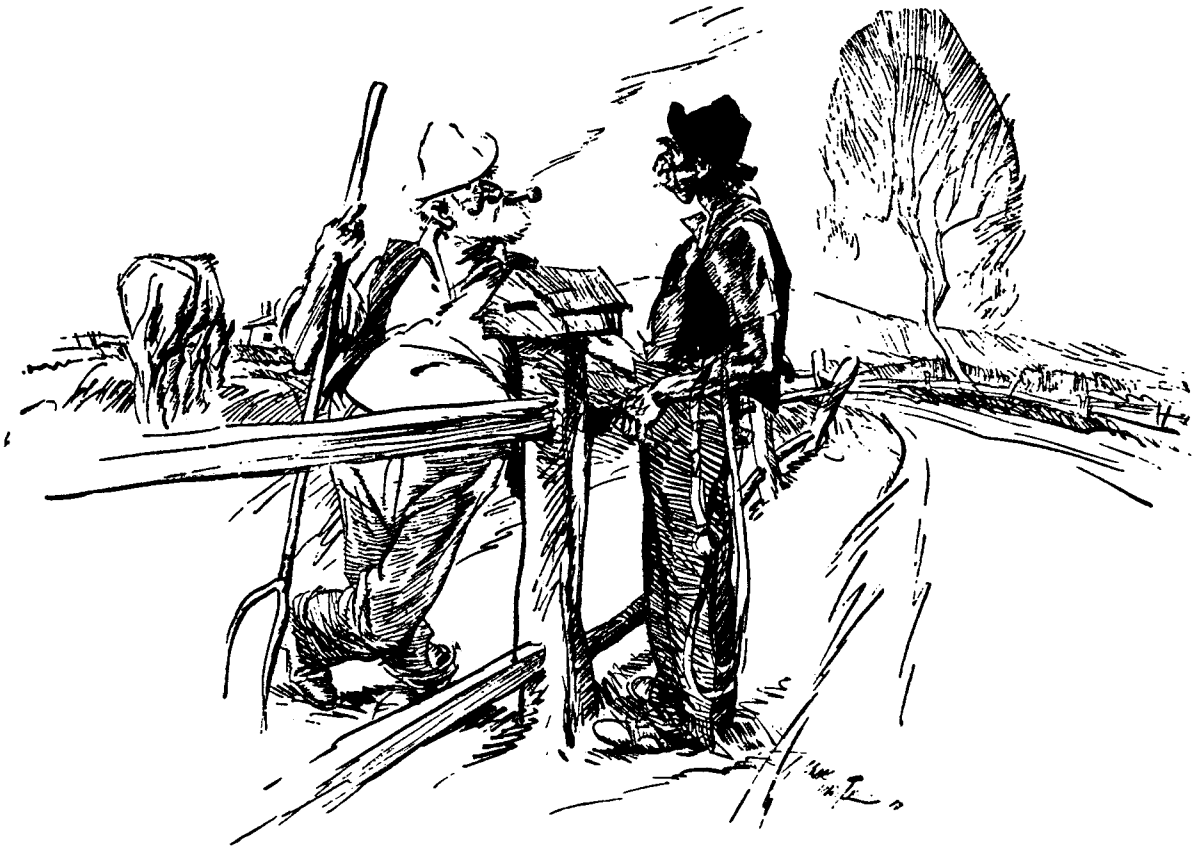
Menzies brought great gifts to the office of Prime Minister but he came to office in circumstances of unusual difficulty. Some reference has already been made to the nature of the difficulties that had faced Curtin when the Labour Party had elected him leader. The schisms in his party were deep and doctrinal. He had not removed them but he had either bridged or skirted most of them in the course of four years. A complimentary dinner to their leader, mutual congratulations on winning two by-elections, and confident predictions for the next election were visible signs of the new-found felicity of the Labour Party in the same week in June in which Page was again attacking Menzies in the House.

Menzies was not faced with the task of bridging known doctrinal gaps so much as finding firm ground in a shifting morass of personalities and political uncertainty. He succeeded to the leadership of a disintegrating party, a party which had lost the original reason for its regrouping under Lyons and had not yet found a new reason, a party which in the course of seven years in office had accumulated the usual number of personal disappointments and differences, the usual number of political embarrassments and the usual confusion of purpose. In his succession, Menzies lost the control of an uneasy coalition, yet the continuance of the United Australia Party in office still depended on the support of the Country Party which, like all corner parties, had been encouraged in the course of less than twenty years of political life to think of what was obtainable rather than of what was due. The Lyons Ministry had prospered by reason of the disunity and weakness of Labour as well as by its own merits, but from the middle of 1939 Labour started to draw together again, taking more moderate and cooler political counsel. The periodical swing in the electorate against the Government had already begun. A war for which the people of the country were quite unready was imminent

[8] *Commonwealth Debates*, Vol 159, pp. 14-21.

and the backwardness in national preparedness imposed exceptional demands on administrative skill and political control in order that a sufficient national effort might be made.

In facing the peculiar difficulties of the office to which he had been called the new Prime Minister had the disadvantage of his own brilliance. A man of fine presence, ease of manner, poise and style, he incurred the suspicion of being vain, of lacking sincerity, and of being aloof. A man of keen intellect he inevitably had often made lesser men seem foolish. A man who had consciously devoted himself to public service from early manhood both in State and Federal politics, he incurred the accusation of being ambitious for office. He had been too obviously a potential Prime Minister for too long. A man whose democracy had been shaped by thinking rather than by physical contact with the crowd, and a man whose attainments and distinction marked him out in any company, he incurred the risk of being charged with losing touch with the common man and having no feeling for the daily problems of the worker. The Australian is much readier to believe that the rough, plain-spoken "ordinary sort of bloke" is an honest and sincere fellow than to give the same benefit of the doubt to a man who by mental discipline, long training, and care of personal standards has achieved balance and dignity in his own life and a set of intellectual values. Part of the disadvantage of Menzies, as indeed of Bruce before him, was that he flew in the face of the whole of Australian myth and legend which places its hearts of gold only in rough cases, makes its wisest men laconic and ungrammatical, and insists that a man who is careless and vulgar in his own speech and manners is sure to be careful of his neighbour's interests. A shrewder or craftier man than Menzies would have learnt from Australian politics that ordinariness was sometimes an asset and he might have dissimulated. A less talented man might have learnt to depend more on others and to trust the people rather than to trust himself. Above all, Menzies suffered that disability of the great advocate and of the logical mind in a world of political conduct governed and obstructed by political motives. Having reached an impeccable conclusion by faultless logic and demonstrated the argument clearly to the public he had a sense of achievement and an expectation that from that conclusion the inescapably correct consequences would flow. Of course they seldom did. A faultless argument could annoy people and strengthen their opposition just as often as it convinced them or persuaded them to act. In other circumstances, in other times, such disadvantages might not have weighed heavily against him. He came to the Prime Ministership, however, at a time when his great gifts of advocacy, logical exposition, his lofty conception of liberal principles, his knowledge of law and the world, and his professional competence were to count less than the shrewdness, human understanding and skill in political management that keeps difficult people working together, the human ordinariness that does not invite enmity or expose itself to attack, the administrative training and experience which ensures that each decision leads to effective action, and the patient, detailed and even unimaginative industry that not only starts



"They tell me things are not too good in Europe, Dave."
"What's wrong? Drought?"

Unk White in Bulletin *(Sydney) 26 Jul 1939.*

a machine but keeps it running and improvises, scraps and adjusts the parts as it goes along.

Choosing a Cabinet of twelve Ministers and four Assistant Ministers from a party membership of twenty-six in the House of Representatives and seventeen in the Senate, he had the services of several members with previous experience of office. Hughes became Attorney-General and Minister for Industry. Casey, formerly Treasurer, was given Supply and Development, newly-created as part of the plans for more intensive preparations for the impending war. Street, who was rapidly maturing, retained Defence, and was given a congenial and equally enthusiastic team-mate in Fairbairn,[9] who was introduced to Cabinet rank as Vice-President of the Executive Council, Minister for Civil Aviation and Minister assisting the Minister for Defence. Gullett,[1] a former Minister who had been on the back benches since 1937 and who had been reputed to have been one of the strongest critics within the party of the Lyons Ministry's neglect of defence, came to the front again as Minister for External Affairs. Senator McLeay,[2] who had been brought into the Cabinet in November 1938 and had shown promising steadiness, with a level head and application, became Minister for Commerce and leader in the Senate. Harrison,[3] the Postmaster-General, had served an apprenticeship as Assistant Minister, and Lawson,[4] who had also held a junior post for a brief period, became Minister for Trade and Customs. Sir Frederick Stewart,[5] whose business career had shown drive and organising ability and whose private benefactions expressed a genuine concern with social problems, was made Minister for Health and Minister for Social Services. Perkins,[6] a former Minister for Trade and Customs, was Minister in Charge of External Territories. The men completely new to office other than Fairbairn were Spender[7] (Minister assisting the Treasurer), McBride[8] (assisting the Minister for Commerce), Collett[9] (in charge of War Service Homes) and Holt[1] (Assist-

[9] Hon J. V. Fairbairn. (1914-18 war: RFC 1916-17); MLA Vic 1932-33; MHR 1933-40; Min for Air and Civil Aviation 1939-40. Of Derrinallum, Vic; b. Wadhurst, Eng, 28 Jul 1897. Killed in aircraft accident 13 Aug 1940.

[1] Hon Sir Henry Gullett, KCMG. (1st AIF: gnr AFA and official war corresp, Palestine). MHR 1925-40; Min for Trade and Customs 1928-29, 1932-33, for Trade Treaties 1934-37, for External Affairs 1939-40, for Information 1939-40. Of Sydney; b. Harston, Vic, 26 Mar 1878. Killed in aircraft accident 13 Aug 1940.

[2] Hon G. McLeay. Senator 1934-47, 1949-55; Vice-Pres Exec Council 1938-41; Min for Commerce 1939-40; PMG and Min for Repat 1940-41, for Supply and Development 1941; Min for Shipping and Fuel 1949-55. B. Port Clinton, SA, 6 Aug 1892. Died 14 Sep 1955.

[3] Rt Hon Sir Eric Harrison, KCVO. (1st AIF: 5 AFA Bde 1916-19.) MHR since 1931; Min for Interior, PMG and Min for Repat 1939-40, Trade and Customs 1940-41, Defence 1949; Res Min in London 1949-51; Min for Defence Producn since 1951. B. Sydney 7 Sep 1892.

[4] Hon J. N. Lawson. MHR 1931-40; Min for Trade and Customs 1939-40.

[5] Hon Sir Frederick Stewart. MHR 1931-46; Min for Commerce 1932-34; Min for External Affairs, for Health and Social Services 1940-41, for Supply 1940. B. Newcastle, NSW, 14 Aug 1884.

[6] Hon J. A. Perkins. MLA NSW 1921-26; MHR 1926-29 and 1931-43; Min for Interior 1932-34; Min for Trade and Customs 1938-39; i/c External Territories 1939-40. B. Tumut, NSW, 18 May 1878. Died 13 Jul 1954.

[7] Hon Sir Percy Spender, KBE. MHR 1937-51; Asst Treas 1939, Treas 1940; Min for the Army 1940-41; Min for External Affairs 1949-51; Ambassador to USA since 1951. B. Sydney, 5 Oct 1897.

[8] Hon Sir Philip McBride, KCMG. MHR 1931-37 and since 1946; Senator 1937-44; Asst Min for Commerce 1939-40; Min for Supply and Develop and Min for Munitions 1940-41; Min for Interior 1949-50; Min for Defence since 1950. B. Kooringa, SA, 18 Jun 1892.

[9] Col Hon H. B. Collett, CMG, DSO. (1st AIF: CO 28 Bn); Senator 1933-47; Min for Repatriation 1941. B. St Peter Port, Guernsey, 12 Nov 1877. Died 15 Aug 1947.

[1] Rt Hon H. E. Holt. MHR since 1935; Min for Labour and National Service 1940-41 and since 1949; Min for Immigration since 1949. Solicitor; of Melbourne; b. Sydney, 5 Aug 1908.

ing the Minister for Supply and Development). It was, compared with Cabinets of recent years, a capable and a comparatively well-knit body paying the usual concessions to State representation and established position but combining a fair body of experience with the keenness of younger men. Menzies described it as a young man's Cabinet, the average age of its members being forty-eight years; Page thought it worth while to make a public statement drawing attention to the fact that the average age of the last Lyons Ministry was forty-nine years.

In his first broadcast to the nation as Prime Minister, delivered on 26th April, Menzies defined the task of his Government as external security and internal justice and, of the first, he spoke with urgency:

> The first means effective defence, and that means manpower, money, materials, economic organisation, self-sacrifice. Let me say at once that I will not have it that the problem of defence is simply one for 70,000 young men under training in arms. In the defence of Australia, which means the safety of all of us, we must all participate. We must have industry organised and industrialists cooperating with the Government, our financial resources must be marshalled, our works programmes, Commonwealth and State, coordinated so that works of a defensive value will take precedence; as taxpayers we must be prepared to pay more; the desire which exists in hundreds of thousands of people in Australia to be of some use in an emergency must be given useful expression. I am sure that State Governments and municipal governments will willingly cooperate with the Defence Department in air raid precautions, first aid preparations and the like.
>
> There must be no profiteering . . . the principle is that capital must contribute its power to defence, just as manpower does and will. In a word, fellow Australians, this is everybody's business and we must get on with it.

This was plainer and more realistic talking than Australia had heard from those in high office for some time. The new Prime Minister also gave a clearer and simpler statement of Australian foreign policy than was customary. He enunciated what had been implicit in Australia's tentative international activities for half a century. In the Pacific, he said, Australia had primary responsibilities and primary risks; this region was not, for Australia, the Far East but the Near North.

> Little given as I am to encouraging the exaggerated ideas of Dominion independence and separatism which exist in some minds, I have become convinced that in the Pacific Australia must regard herself as a principal, providing herself with her own information and maintaining her own diplomatic contacts with foreign powers. I do not mean by this that we are to act in the Pacific as if we were a completely separate power; we must, of course, act as an integral part of the British Empire. We must have the fullest consultation and cooperation with Great Britain, South Africa, New Zealand and Canada. But all these consultations must be on the basis that the primary risk in the Pacific is borne by New Zealand and ourselves. With this in mind, I look forward to the day when we will have a concert of Pacific powers, pacific in both senses of the word. This means increased diplomatic contact between ourselves and the United States, China and Japan, to say nothing of the Netherlands East Indies and the other countries which fringe the Pacific. It is true that we are not a numerous people, but we have vigour, intelligence and resource, and I see no reason why we should not play not only an adult but an effective part in the affairs of the Pacific.

As regards the immediate dangers outside the Pacific the new Prime Minister took as an axiom that Australia could neither stand neutral nor

be treated as neutral in a war in which Great Britain was engaged. He accepted as a duty and an obligation of British countries to each other that there should be Imperial cooperation.

> The peace of Great Britain is precious to us, because her peace is ours; if she is at war, we are at war, even though that war finds us not in European battlefields, but defending our own shores. Let me be clear on this; I cannot have a defence of Australia which depends upon British sea power as its first element, I cannot envisage a vital foreign trade on sea routes kept free by British sea power, and at the same time refuse to Britain Australian cooperation at a time of common danger. The British countries of the world must stand or fall together.

These views were elaborated by Gullett in a statement on international affairs to Parliament on 9th May, and this elaboration sums up succinctly the position of Australia in regard to the events in Europe and the imminence of war with Germany.

> With the concurrence of my Right Honourable Leader (said Sir Henry, after quoting from the Prime Minister's broadcast) I point out that these words are not to be interpreted to mean that under any and every set of circumstances the foreign policy of a United Kingdom Government, if it led to war, should or would automatically commit Australia to participation in that war. Nor do they mean that action taken by a Government of the Commonwealth under any and every set of circumstances and leading to war should or would automatically commit the United Kingdom to participation in that war. It is conceivable that upon either side a policy might be adopted which met with strong disapproval or condemnation by the other Government.
>
> But in the circumstances in which the Government of the United Kingdom and the Government of the Commonwealth find themselves today, there is no sort of disagreement. On the contrary there is the completest unanimity between the two Governments as to the policy being followed and as to any action which may arise out of that policy.
>
> The Commonwealth Government is fully satisfied that recent actions and the prevailing dispositions and certain preliminary moves of the totalitarian nations of Europe constitute a near and grave menace not only to the United Kingdom, but to Australia and to the democracies of the world as a whole, and to all institutions and traditions that stand for freedom. This Government has been fully advised of every step taken by the Government of the United Kingdom, and fully consulted throughout the long and perilous ordeal of the past few years.
>
> The Commonwealth Government is satisfied beyond any doubt that the United Kingdom and the democracies associated with her have no intention other than one that is purely defensive against aggression. If, therefore, in pursuance of this policy, the Government of Britain is at any moment plunged into war, this Government will, on behalf of the Australian people, make common cause with the Mother Country in that war.

In the parliamentary debate on Gullett's statement, the Leader of the Opposition said that Gullett's "qualification" of the Prime Minister's broadcast "squares entirely with the conception of Australia's position as held by the Opposition". He stressed "the responsibility of the Australian Government and of no other government, for the people of Australia being engaged in war", but in the general endorsement he gave to Gullett's review of the international situation it was apparent that the Opposition, too, was

now seeing the situation more directly and simply as one of great danger to Australia.[2]

The principal actions of the Menzies Government in the four months before war broke out were related to the acceleration of rearmament, the preparation of the third Budget of the three-year defence programme, providing capital expenditure four times as great as in the previous year, some departmental reorganisation to facilitate the production of defence supplies and munitions, and the passage of the Supply and Development Bill and the National Registration Bill.

In order to see the origin of these measures and to see their relationship to other defence measures, however, it is necessary to turn back to trace the development of national planning in the years before the Menzies Government took office. This planning had taken place unobtrusively within the Administration and, although the Cabinet and successive ministers had known of it and had periodically learnt of its progress, it would appear that the credit for its consistent and patient development over a number of years lies more with those higher officials and service chiefs who had made it their responsibility than with any minister or government. National planning produced its results not only through direction from above but also by pressure from below, by the working of ideas in the minds of the Government's senior officials and advisers and, in some measure, by reason of the consultation and exchange of information between the Australian Defence Department and the Committee of Imperial Defence which had been stimulated by the work of the Imperial Conferences.

2—NATIONAL PLANNING

The final objective of national planning, as that term was understood by those engaged in the work now under discussion, was a complete scheme for military, industrial and civil mobilisation in war to ensure the prompt and controlled use of the nation's resources when, where and in the manner in which they would be most effective for winning the war.

"The work of national planning," said Lyons, in a press statement prepared for him by the planners on 16th January 1939, in answer to criticism that defence measures were unsatisfactory, "is of extraordinary intricacy and has ramifications affecting every section of the community and, in fact, every individual." National planning was aimed, he continued, at the organisation of the national economy for as smooth a transition as possible to a war footing and for its maintenance on an emergency basis. Military needs, conservation of the financial and economic strength of the Commonwealth and public confidence were the three main factors in ensuring security; industry and the whole civil community should stand behind the navy, army and air force.

In reviewing what was actually being done, the statement referred to such diverse aspects of the question as the interrelation and coordination of the activities of all committees and departments associated with national

[2] *Commonwealth Debates*, Vol 159, p. 200.

planning and the "plotting" of this interrelation so that "the responsibility and the requirements of any or all of these sectional organisations is thoroughly understood"; "the relation of the material needs of the fighting services to the capacity of the government and private factories to produce them"; the fact that these factories drew their raw materials from other secondary and primary industries and that all industry was dependent on transportation facilities; the fact that overseas transport was also "vital to maintaining the national economy at a high level by providing for the flow of our exports and imports". All these different aspects revealed the same truth—a "definite pre-established plan" was essential as "the basis of the mobilisation and coordination of the potential economic strength of Australia to meet the needs both of the defence services and the civil population".

The work of national planning stemmed from the Defence Department. At the beginning of rearmament, such planning as was being conducted was almost wholly conducted by that department itself. Its Munitions Supply Branch and Principal Supply Officers' Committee, and the subordinate committees which dealt with particular requirements of the services and tried to relate them to stocks and production resources, were charged as early as 1936 with preparing plans for mobilising the resources of industry in an emergency. The Munitions Supply Branch, besides administering the government arms and ordnance factories, also gave some attention to research, wartime expansion and training of technicians. The Naval, Military and Air Boards and the Defence Committee were concerned with the tasks of the services. As the work increased, new instrumentalities were set up and other departments of the Federal Administration, the State Governments, and non-governmental organisations and experts were drawn into the work.

By the time of the change of government in April 1939 national planning revealed the following broad features. The broad economic and financial aspects of a national war effort were being considered by the Financial and Economic Advisory Committee consisting of Professor Giblin,[3] Dr Wilson[4] and Mr Melville[5]. The problems of the mobilisation of secondary industry were being considered by the Advisory Panel on Industrial Organisation, consisting of Mr Essington Lewis,[6] Sir Colin Fraser,[7] Sir Alexander

[3] L. F. Giblin, DSO, MC. (1st AIF: 40 Bn 1915-18). Govt Statistician, Tas, 1920-28; Prof of Economics, Univ of Melbourne 1929-40; Director C'wealth Bank 1935-42. B. Hobart, Tas, 29 Nov 1872. Died 1 Mar 1951.

[4] Sir Roland Wilson, CBE. C'wealth Statistician and Economic Adviser to the Treasury, 1936-40 and 1946-51; Sec Dept Labour and Nat Service 1940-46; Sec to the Treasury since 1951. Of Canberra; b. Ulverstone, Tas, 7 Apr 1904.

[5] L. G. Melville, CBE. Prof of Economics Univ of Adelaide 1929-31; Econ Adviser to C'wealth Bank 1931-49; Vice-Chancellor Aust National Univ, Canberra, since 1953. B. Marsfield, NSW, 26 Mar 1902.

[6] Essington Lewis, CH. Managing Dir, Broken Hill Pty Ltd 1926-38, Ch Gen Mgr 1938-50; Dir-Gen of Munitions 1940-45 and Dir-Gen of Aircraft Production 1942-45. Of Melbourne; b. Burra, SA, 13 Jan 1881.

[7] Sir Colin Fraser. Mining geologist and engineer; NZ Govt 1905-11; in London 1911-14. Dir Mat Supply, Dept Munitions 1940-44. Company Director; of Melbourne; b. Coromandel, NZ, 14 May 1875. Died 11 Mar 1944.

Stewart,[8] Mr Kneeshaw[9] and Mr Eady.[1] The problems of primary production, including the machinery of control, were being studied in the Department of Commerce. The problems of manpower were being considered in a tentative way by a special committee in the Department of Defence. Various administrative problems were being considered by the Department of Defence in consultation with various other departments and State instrumentalities and with non-governmental experts such as those brought together on the Accountancy Advisory Panel. A limited amount of civil defence planning was proceeding in cooperation with the State Governments and the planning of works of defence value was also being discussed to a limited extent in Federal departments and with the States. The three armed services were attending to their own separate responsibility in regard to the employment of the naval, military and air forces. The whole of the national planning was being drawn together in the Commonwealth War Book, which was being compiled in the Defence Department. Matters rose up to the level of Cabinet when they reached the stage when action had to be taken or approval obtained before the next stage of planning could proceed.

3—THE WAR BOOK

The scope of national planning can perhaps be seen most clearly by looking at the way in which the War Book was gradually built up and what it had recorded before the outbreak of war.

The purpose of the War Book was to provide, in a concise and convenient form, a record of all the measures involved in passing from a state of peace to a state of war; to ensure that all authorities in any way concerned with the defence of the Commonwealth should know the precise measures required of them at each stage of the process, and that the actions of the defence services and the several departments were closely and continuously coordinated. It was not, of course, a plan for the conduct of the war for, once war began, there would have to be frequent adjustments to meet new situations. The War Book covered the precautionary measures to be taken when war was imminent and the measures to be taken immediately after the outbreak of war. What happened from that point onwards would be in the hands of those charged with the higher direction of policy and the conduct of the war.

The planners of the War Book could not foresee exactly the circumstances in which war would come. They compiled their lists of measures in the expectation that the war would "demand the employment of all available resources" and that, according to the needs, so the plans could be modified. Indeed, it was characteristic of the War Book method that one of the earliest measures which it proposed should be taken after the

[8] Sir Alexander Stewart. Consulting engineer. Settled in Aust 1904. Chairman, Vic Bd of Area Management, Min of Munitions 1939-45. Company Director; of Melbourne; b. Aberdeen, Scotland, 1877.

[9] Hon F. P. Kneeshaw, OBE (1st AIF: Arty.) MLC NSW 1933-49; Chairman Aus Shipbdg Bd 1941-43. Company Director; of Sydney; b. Canterbury, NZ, 6 Aug 1883. Died 3 Feb 1955.

[1] M. T. W. Eady. Pres Vic Chamber of Manufactures 1935-37, Treas from 1943. Company Director; of Melbourne; b. Sydney. Died 8 Dec 1947.

outbreak of war was the submission to Cabinet of a list of topics so that Cabinet could decide, in the face of an actual situation, whether or not certain measures were required and, if so, when.

The War Book was prepared in a special section of the Department of Defence. Its form was modelled on the United Kingdom War Book, copies of which had been supplied to the Dominions together with copies of other related documents and draft war legislation. This procedure conformed with a decision of the Imperial Conference of 1930, when a committee of experts of the fighting services reported "there was a general desire to adopt, as far as local circumstances allowed, a standard form of War Book throughout the British Commonwealth of Nations". Subject to the fact that the decision whether or not Australia was to adopt the war stage was in the hands of the Australian Government, the War Book might fairly be considered to cover not only the coordination between Australian services and Australian departments but coordination between Australia and the United Kingdom. The book was only intelligible if it was accepted that when the United Kingdom was at war Australia could not remain neutral, although the control of the nature and extent of Australian participation in warlike activities would be wholly a matter for the Australian Government. This close cooperation in planning was a practical consequence of the decisions made for cooperation in Imperial defence, publicly announced to the people of Australia by the Government on numerous occasions.

War Book measures relating to the armed forces and the economic side of the war effort are covered in other volumes of this series. For the present, our concern will be solely with those measures touching on the organisation of the Australian civil administration for the purposes of war. This phase of planning can be conveniently examined under the following headings—

A. The procedures to be followed in regard to the declaration of war.
B. Cooperation with the State Governments.
C. Action to be taken by existing civil departments.
D. The creation of new instrumentalities.

A.—The Declaration of War: As already indicated, the War Book admitted no constitutional doubts or niceties on the question of what Australia would do if the United Kingdom were at war. It was not compiled by constitutionalists but by officials concerned with preparedness for war. It had to satisfy, not any theories of Dominion status, but the necessities of the defence of Australia. Moreover, although work had been proceeding for some years, the book was completed in face of an actual threat of war from Germany and of dangers presented by Japanese action in Asia. On all these matters the Australian Government was in consultation with the United Kingdom Government and was in a position to modify its own planning in accordance with its own judgment of the situation as well as to offer its comments to the United Kingdom on the measures being taken there.

It was expected that the Dominions Office would keep the Prime Minister continuously informed of the progress of events during a period of strained relations and, although admittedly circumstances might force the Australian Government to take prior action of its own, it was expected that the starting signal for Australia would be the receipt of a warning telegram from the United Kingdom Government stating that it had adopted a precautionary war stage. It would then be for the Australian Government itself to decide whether it should itself adopt the precautionary stage in Australia. Cabinet would be called together for this purpose immediately a warning telegram was received and would be asked to make two decisions —whether or not to adopt the precautionary stage and, if so, which measures out of a prepared list should be applied. In addition, certain other precautionary and protective measures—such as the initiation of a pre-arranged intelligence plan, warning of shipping and placing of permanent naval forces on a war footing—would be applied automatically by the departments and the three armed services once the Cabinet had adopted the precautionary stage.

Cabinet's decision would be followed by a proclamation declaring the danger of war and officially instituting the precautionary stage and this proclamation would create a legal time of war under the *Defence Act* of 1903-1939, thus endowing the Government with powers to take exceptional measures. If the danger passed, Cabinet could decide to terminate the precautionary stage, the exceptional powers under the *Defence Act* would lapse and the departments would take appropriate steps to unwind the war machinery.

If the situation worsened, however, to the point where the outbreak of war was actual or imminent, the planned measures would enter on the war stage. Normally this stage would be ordered on the declaration of war, but it might be ordered before war was actually declared and, in a war with a minor power, it might not be ordered in Australia even though war had broken out with the United Kingdom. It was expected that, once again, the signal for Australian action would be the receipt of a telegram from the United Kingdom Government stating that a "war stage" existed in the United Kingdom. On receipt of this telegram the public would be informed by notice in the *Commonwealth Gazette* that war had broken out between the United Kingdom and the power or powers concerned and the Cabinet would again meet to decide whether or not the war stage would be adopted in Australia.

If the Government decided to adopt the war stage, a prepared proclamation of the existence of war was to be submitted to the Executive Council and published in the *Commonwealth Gazette*. State Governments would also be notified.

The War Book set out in detail the various measures to be adopted by the armed services and by the departments both in the precautionary stage and in the war stage. From stage to stage all would be in readiness for action. Communications and proclamations had been drafted, Cabinet submissions were ready, moves pre-arranged, plans worked out, a distinc-

tion made between matters requiring Cabinet decision and measures requiring only the approval of the Minister for Defence or the initiative of the defence services.

There was held in draft in the Prime Minister's Department, Canberra, copies of the various proclamations, public announcements and Orders in Council needed to give effect to the plans, together with drafts of the National Security Bill and various Regulations, Trading with the Enemy Bill, Patents, Designs and Copyright (War Powers) Bill, Customs Regulations, Financial Regulations and so on to the total of twenty-three items.

B.—Cooperation with the State Governments: The plans for cooperation with the State Governments provided in the War Book included both preparations for military defence (assistance to the defence services in measures connected with mobilisation and the active prosecution of a war) and civil defence (matters involving the protection of the civil population and of essential civil services). On the military side were the construction of camps; railway, road and bridge construction and improvement; and defence works generally; a wide variety of measures involving the use of the State police forces, such as surveillance and arrest of suspected spies, assistance to the defence services and Customs authorities in the examination, detention and seizure of shipping and aircraft or the enforcement of regulations, and the supply of information; cooperation in road and rail transport, technical training for munitions, control of medical services and supplies, control of marine lights and buoys and control of coastal shipping and shipping facilities; and the creation, and training or expansion of voluntary auxiliary organisations for the provision of medical and other comforts for the sick and wounded and for the armed forces generally. The measures of civil defence in which the States would cooperate included all aspects of air raid precautions, the clearance of areas and control of civil population in case of invasion, measures for dealing with subversive action or civil disturbance, the protection of essential industries and utility services, the expansion of fire brigade organisations for the protection of life and property, and cooperation with the Commonwealth Department of Commerce in special storage and transport arrangements for primary products and other specified commodities awaiting shipment, and in all matters affecting these exports, making available, as necessary, the advice and resources of the State Agricultural Departments. There was scarcely a chapter of the War Book which did not require State cooperation or assistance at some point.

Conferences of Federal and State Ministers had been held regarding these matters. The first of the conferences dealt with air raid precautions. In November 1935, when Lyons had it in mind to suggest to the State Premiers a Federal-State meeting in Hobart during the coming February, he asked his Ministers to suggest subjects for discussion. Parkhill, as Minister for Defence, forwarded suggestions drafted by the Military Board including "the protection of the civil population against the result of gas attacks". Supporting papers were based on the assumed possibility of a

light attack from a raiding vessel with aircraft. They pointed out that in England the Home Office was responsible for the protection of the civil population and its equivalent in Australia was the Chief Secretary's Department in each of the States, working in liaison with District Base Commandants and having under them police, first-aid detachments, fire brigades and members of the public recruited or volunteering for the purpose. The papers recalled that in May 1935 the Defence Committee had proposed that the State Governments should be the responsible authority "for the protection of the civil population against gas" and that the army should assist them with technical advice and that, acting on their recommendation, the Prime Minister had already invited each of the Premiers to arrange for the appointment of a committee under the chairmanship of a member of their respective Chief Secretary's Departments to formulate a defence scheme in the large cities and provide equipment for the training of a few nucleus squads. The Premiers of Victoria, Queensland and South Australia, however, had replied that responsibility for organising and training and for all expenditure should be accepted by the Commonwealth and, while the Premier of New South Wales said that the organisation would be undertaken by the State, he did so "on the understanding that the Commonwealth accepts financial responsibility". Western Australia and Tasmania had not replied. After considering the State's views the Federal Cabinet had approved of the expenditure of £1,863 15s 0d for purchase of equipment and stipulated that this was to be the limit of the Commonwealth liability.[2] Thus at the outset there arose the question of financial responsibility which was to be at the centre of all Federal-State discussions on cooperation for national planning or the conduct of the war. The question was an outcrop of a problem which underlay the whole of government activity in the Australian Federation.

The projected conference between Federal and State Ministers was eventually held, not in Hobart, but in Adelaide, on 26th August 1936. It was agreed that the States should undertake the organisation of measures necessary for the protection of the civil population against gas attack and the training of personnel of essential civil services, while the Commonwealth would provide training equipment, training manuals, the services of officers to instruct key personnel and technical information and advice.

The 1936 Conference also decided that a conference of Commonwealth and State Ministers of Transport should be held for the purpose of considering railway and transport matters generally and, soon afterwards, it was decided to refer to the prospective transport conference the question of appointing a competent body to enquire into the defence aspects of a uniform railway gauge. The transport conference, however, did not meet and the proposed enquiry was not made.[3]

For a year or more matters rested until the alarms of 1938 set further consultations in train. At the Premiers' Conference at Canberra on 29th

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[2] Defence Department file 437/401/200.

[3] *Commonwealth Debates*, Vol 158, p. 2881.

September 1938 the Minister for Defence, Mr Thorby, advanced the more comprehensive thesis that "no major defence organisation can be satisfactorily developed without the aid of the States" and supported it with a "brief outline of some of the more important matters which we have been discussing and planning, partly in cooperation with officers of your respective departments and partly in consultation with representatives of various branches of industry and commerce". These matters included works, particularly those related to transport; the location of industrial plants, important public utilities and key industries; cooperation in regard to the use of police, hospitals and ambulances in an emergency; precautions against gas attack; planning of food supplies, cool storage and transport and the formation of special committees to ensure supplies for local population and for regular exports; and the linking up of private enterprise with munition works.[4] There is scant evidence discoverable however, to show that these consultations had proceeded very far or had yet produced any substantial results. In the next three weeks, however, Federal-State planning was developed with a remarkable haste, which bears more signs of political improvisation than of considered planning. On 13th October the Minister for Defence asked the Secretary of the Defence Department to obtain information, which he could submit to a forthcoming meeting of the Loan Council, about works of defence value in order that the Government might place before the States a proposal "that the States should postpone the construction of as many non-essential undertakings as possible with a view to assisting the Commonwealth financially and otherwise to carry out works which will be of definite defence value". Schedules should be prepared showing works, estimated cost and order of priority, particular attention being given to those works which would absorb a considerable amount of unemployed labour. Works were suggested by the Minister under the headings of railways, roads, harbour works, civil aviation, storage facilities, essential supplies, protection of key industries, erection of houses for defence personnel and "any other proposals".

The departments concerned were circularised. In reply the Director of Works suggested that the Premiers should also be asked to give priority to Defence Department requirements of State-owned land (e.g. Garden Island, N.S.W.), the loan of State plant, and the loan of professional officers from State departments. The Controller-General of Munitions Supply drew attention to the critical shortage of toolmakers and suggested State technical schools might intensify their training and be subsidised to keep the youths in training to a more mature age. The services furnished, through the Defence Committee, extensive lists of necessary works. The information was considered by Cabinet and on 21st October it was directed that schedules be prepared showing the works in order of priority. On the same day a "conference of Commonwealth and State Ministers on

[4] Defence Department file 34/301/199.

national cooperation for defence and development" was opened in Canberra in conjunction with a meeting of the Loan Council.

Two days earlier, Page, as acting Leader of the House, in giving Federal Parliament its first information on the proposed meeting, had indicated that the subject of the conference would be "the financial problems of defence and development".[5] Opening the conference the Prime Minister said that the defence of Australia consisted not only in the specific works comprised in the Commonwealth Government's programme, but also in the successful development of the country's resources. The States had works programmes financed from moneys raised through the Loan Council and the Commonwealth had no loan works programme as such. He asked the States to transfer part of their loan works programme to defence works. The Commonwealth would attend to works which had a defence value and no other value. The States were asked to cooperate with the Commonwealth in carrying out works which had a civil as well as a defence value. Lyons suggested that Commonwealth and State experts should examine all the proposals and recommend, in order of priority, works which would be of defence value and could be carried out by the States. He hoped too that the Loan Council would appoint an advisory committee to survey the lines which Australian industrial development should follow, having regard to both economic and strategic factors, including distribution of population and vulnerability of industry. This committee would also report on the relationship of existing public facilities, such as power, water and transport, to the developmental programme, and the necessity for any extension of those facilities. The committee would be associated with the Loan Council in all its investigations affecting existing and projected public works. Thus the measure of control which the governments of Australia now exercised over loan policy through the Loan Council would be maintained.

The State representatives found the Commonwealth proposals perhaps just a little too smooth; the conference business bore obvious signs of having been prepared in haste and the Premiers had had little time to look into them carefully. They had learnt to be cautious about persuasive statements delivered in such circumstances. Being in Canberra for a Loan Council meeting, it was natural for them to look at any proposal in the way Loan Councils were accustomed to examine projects. Was the Commonwealth shifting on to their shoulders something it should bear? The Premier of Victoria, Mr Dunstan,[6] noted that, while the Commonwealth expenditure from revenue was £7,500,000 higher in the current year than in the previous year, a third of the increase was going to defence and the rest to social services and postal works. Yet the States, which had a heavier load of social services to carry, were being asked to divert some of their loan expenditure to works of defence value. The State Premiers suspected that the Commonwealth was trying to gain even greater control

[5] *Commonwealth Debates*, Vol 157, pp. 903-4.

[6] Hon Sir Albert Dunstan, KCMG. MLA Vic 1920-1950; Min for Lands and Forests 1932-35; Premier 1935-45. B. Cope Cope, Vic. Died 14 Apr 1950.

of the finances of the States and, by determining priority of works, to exercise some authority over State budgets. Moreover, on a Loan Council, where competing States watched the annual allocation of loan moneys as avidly as hungry dogs watch the cutting up of a scant meal, there was some nervousness, particularly on the part of the smaller States, that there might be a diminution of their share of loan works. While all were devoted to the common ideal of defending Australia and developing their resources they had to be sure as good State men that this meant the same as defending and developing their own States. Each State representative, too, had his particular policies to maintain. Important as Australian defence might be it still had to be balanced against the very great importance of water works in Victoria and Western Australia and they had to watch their local employment figures for local political as well as national defence reasons.

There were also more fundamental doubts regarding the financing of the works programme. Mr Stevens, Premier of New South Wales, whose view of the current situation in Australia was that unemployment was rising and the liquid resources of the trading banks decreasing, said:

> Before we can make definite plans to coordinate Commonwealth and State works, we must be assured of the cooperation of the banking authorities in a policy designed to maintain full employment. There is no chance of carrying out a big defence programme unless rigorous action be taken to support the money market.

At a later stage he argued that the fundamental problem was to allocate labour to the production of defence material and to the carrying out of other works. The real limit was set by the number of men who could be employed on defence projects, but he could not see any chance of using the nation's manpower and resources to full advantage unless there was adequate support for the financial market.

Eventually, after a little redrafting, the conference resolved—

> The Governments of the Commonwealth and of the States agree in principle to the proposal that there should be close collaboration between them in the matter of defence works and that for that purpose each State should agree to examine the possibility of undertaking within the limits of the loan allocation of that State, any works of defence value submitted by the Commonwealth.

The proposal to appoint an advisory committee to consider the problems of industrial development and the location of industrial facilities in Australia, and to report on the order of priority in which public works related thereto should be carried out was deferred.[7]

In December the Prime Minister, speaking to the Loan Bill of £10,000,000 for defence, confessed that the results of the conference had been "neither satisfactory nor encouraging", but announced that the Government again proposed to confer with the States. Cooperation was necessary because constitutionally there were some things that the Commonwealth could not do without the States. That cooperation was urgent.

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[7] A Report of Proceedings of the conference of 21 Oct 1938 was printed (No. 6094 Government Printer). An apologia was given by Sir Earle Page in the no-confidence debate on 3 Nov 1938, *Commonwealth Debates*, Vol 157, pp. 1190-96.

The Prime Minister's statement and a statement by the Minister for Defence, Street, in Parliament on the previous day[8] make it plain that, by early December, the Government had decided on a new bid for cooperation and that this time the discussions would be wider than defence works. There was a good deal of interest stirring behind the scenes.

An early draft of that section of the Prime Minister's Loan Bill speech dealing with economic and social planning and cooperation with the States is to be found on files in conjunction with earlier papers prepared by Dr Wilson, Commonwealth Statistician and Economic Adviser to the Treasury, and Professor Giblin, Professor of Economics in the University of Melbourne, who was close to the Government because of his services as an economic adviser during the depression, as a former member of the Grants Commission, and as a director of the Commonwealth Bank. On 1st November Dr Wilson had furnished to Page, at his request, a comprehensive plan on industrial development and defence for "submission to the States at the next conference". Three weeks later Giblin sent to the Prime Minister a paper on "The National Need", saying:

> What is wanted immediately is a general plan for national reorganisation, which will direct intelligent effort on all the many-sided fronts of the problem facing us and ensure that the best thought and administrative capacity in the Commonwealth service, the State services, and the community at large, is brought to bear on our difficulties. What the public is in effect crying for is the announcement of such a plan by the Commonwealth backed by the State Governments, with such details of personnel as would convince it that the best ability of the community was being brought into service, and making its individual contribution to national needs. Such a programme publicly announced would offer the best hope of lining up public opinion into the growing and constructive force which is a necessary first condition for our preservation as a democracy.

Wilson's plan proposed the creation of a council for industrial development and defence to act as a central coordinating committee, with its own executive officer and small expert secretariat. It would allocate problems, receive reports, formulate plans and make recommendations to Commonwealth and State ministers. It would be linked with a series of committees dealing with such groups of subjects as financial and economic problems, the location of industries and precautions against blockade (i.e. the effects of war on essential materials, products and equipment and the consequent problems of supply and storage) and with existing agencies or agencies to be created for handling such questions as works, power, transport and communications, manpower, trade policy, scientific and industrial research and labour relations. It would be in direct touch with the Loan Council. The various committees were to be composed of representatives of the various governments, institutions and agencies directly engaged in the respective fields of work; and the council was to be composed of the chairmen of these committees plus a few other members chosen for general capacity and experience. In short, it would be a non-executive, non-statutory body for integrating the work of various executive bodies throughout the nation.

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[8] *Commonwealth Debates*, Vol 158, p. 2766.

Page and Murphy,[9] the Secretary of the Department of Commerce, of which Page was Minister, worked on the suggestion, and towards the end of November produced a paper favouring a council of ministers, drawn from the Commonwealth and each State, and having at its service a standing committee of Commonwealth and State officials. One of the members of this standing committee might be made chief executive officer, attached to the Prime Minister and "untrammelled by the responsibilities of a Department". Each State would also appoint "an opposite number to the Chief Executive Officer", and such officer would act as State representative on the standing committee. Page concluded: "It seems to me that the Commonwealth Government must take the initiative in devising immediately a workable plan of collaboration. If the machinery is not to be on the lines, either of that proposed by the Statistician or that proposed by me in this memorandum, then we must set our minds to finding some other method which will be at the same time workable and efficient".

The newly-created Works Department which, it was hoped, would "ensure the expeditious and economical execution of the works side of the defence programme"[1] was also meeting difficulties that pointed to the need for collaboration with the States. Early in January 1939 the Staff Officer, Engineer Services, reporting on the failure to expedite the defence programme, said, "The programme has become too large for the means at our disposal to carry it out"; among various expedients he mentioned was the possibility of giving selected works to State Public Works Departments, country road boards, main road boards and local authorities. A conference of Commonwealth Works Directors held in Canberra in mid-January, the report of which reveals a big lag in the programme and more excuses than signs of determination, says on this point that the use of State authorities had been brought forward from time to time but "it is not seen how this can be implemented in regard to the work we have in hand".[2]

Meanwhile, as the outcome of the October conference, conversations between Federal and State officials had proceeded on the quite separate question of inducing the States to give priority in their own works programmes to projects of defence value. The apportionment of cost as between Commonwealth and States was still an issue. On 3rd November the Premier of New South Wales had written to the Prime Minister intimating the willingness of his Government to transfer all necessary manpower to urgent defensive and developmental works, but proposing that the financing of such works should be made the subject of an early conference between the Governments. Three months later, on 11th February 1939, he wrote that, although detailed schedules of works had been prepared in consultation with the military authorities, and the State was "in a position to put practically the whole of these works in hand forthwith", the question of

[9] J. F. Murphy, CMG. Sec Dept of Commerce 1934-45; Controller-Gen of Food 1943-45. Chairman Aus Wool Realisation Commn. 1945-49. B. Carlton, Vic, 12 Mar 1893. Died 18 Jan 1949.

[1] Speech by Street in House of Reps, 6 Dec 1938, *Commonwealth Debates*, Vol 158, p. 2766.

[2] Defence Department file 437/401.

the apportionment of cost and the making of additional funds available to finance the works had not been settled.[3]

The only measure taken on this basic issue between Commonwealth and States was apparently an offer by the Commonwealth in December 1938 to cooperate with the State Governments in carrying out works suitable for the relief of unemployment on the understanding that the State would contribute one-fifth of the cost of the works and that the works in question should be of a defence or civil aviation value and absorb considerable unskilled unemployed labour. There does not appear, however, to have been any considerable work related to defence under this proposal.[4]

In addition to the general case argued for national planning and the urgent need to expedite defence works, pressure on the Federal Ministry to consult further with the States was also being felt from its own administration. Work on the War Book in the Department of Defence had long since reached the stage when related activity in all States had become essential. The problem of air raid precautions had changed in character since the 1936 conference and the understanding between the Governments called for re-examination.

Although the intention to hold another conference had been mentioned as early as 6th December 1938, the meeting did not take place until 31st March 1939.

The preparatory work for this conference had been done much more thoroughly than in October and, in addition, both Federal and State representatives had the advantage of the further discussions which had taken place between Federal and State authorities as a consequence of the October discussions. Moreover urgency had grown. By a coincidence the invitations to the conference were sent out on the day the German troops crossed the Czech frontier. Lyons told the Premiers that Australia "faced the immediate future with very grave misgiving, and a sense of insecurity" and gave them a confidential statement on the state of international relations.

To provide the machinery of cooperation, the Commonwealth proposed the creation of a national council, composed of "the appropriate Federal Ministers and the State Premiers". Its main functions would be to study all public works projects with a view to their classification according to priority; and from time to time to submit classifications of such works to the Loan Council; and examine and report to the Loan Council on existing public facilities, particularly power, transport and water conservation, with special reference to their adequacy and their location, having regard to vulnerability and strategic considerations generally. At a later stage, it was thought, consideration might be given to planning the extension of existing public facilities in accordance with an ordered programme of national development both primary and secondary.

The resolution agreed to by the conference was wider in scope and gave higher status to the council:

[3] Defence Department file 34/301/199.
[4] Defence Department file 569/401/230.

This meeting of representatives of the Commonwealth and State Governments, having regard to the international situation, hereby resolves that it is essential to secure the fullest cooperation between the Commonwealth and State Governments on questions relating to the security of the people of Australia and therefore decides to set up a National Council consisting of the Prime Minister of the Commonwealth and the Premiers of the several States to consider matters of concern as occasion arises and to bring about all the necessary coordination of the related activities of the Commonwealth and the States.

The Commonwealth again stressed the urgency of State works of a defence value, supporting its case with a long schedule of works in each State in order of their importance for purposes of defence. States were asked to substitute works of a defence value for other works which they had proposed to finance from the loan money available. It was pointed out that the expanded programme of Federal defence expenditure left the Commonwealth unable to contribute to the cost of these works. Most of the items in the schedule related to railways, roads and bridges and wharfage. The States on this occasion responded readily and the conference resolved that Commonwealth and State officers should confer about State works of defence value that could be undertaken immediately and prepare any necessary technical information.

Endorsement of Commonwealth proposals for cooperation in the compilation of war plans was expressed in the following resolution:

As the completeness of national plans for an emergency requires that the measures to be undertaken by the Commonwealth shall be supplemented by action to be taken by the States, it is agreed by the Governments of the Commonwealth and of the States that:

(a) The compilation of schemes for execution by State Government authorities is an integral part of the national preparations for defence, and the State Governments agree to cooperate with the Commonwealth Government in the preparation of plans for an emergency.
(b) The national defence plans should be on the basis of preparation for a major war.
(c) All plans and the related schemes required for an emergency should be compiled by the end of August 1939; and thereafter they will be continuously reviewed and kept up to date.
(d) The Department of Defence will be the central coordinating authority for national defence plans.
(e) The Secretary, Department of Defence, or his deputy, is empowered to arrange direct with the State Department authority concerned in execution of the agreed policy and on technical matters. Similarly, the Navy, Army, Air Force and Munitions Supply authorities and their senior representatives in each State are empowered to arrange technical matters direct with the appropriate State authorities. Matters of principle shall be dealt with through the usual channel between the Prime Minister and State Premiers.
(f) The Commonwealth War Book should record the important action to be taken by State Governments and their authorities for national defence purposes and should be supplemented by copies of the separate detailed State plans.

At the time of the conference all States had been handed a copy of the Commonwealth War Book, as it then stood, as a "master reference" to the action that would be required on the outbreak of war and also to

encourage them both to incorporate into the Commonwealth War Book the State plans when completed and to develop State War Books which would serve as a reference for the carrying out within each State of the duties laid on States by the national planning. The Minister for Defence contrasted the situation in Australia with that of Great Britain in respect of civil defence; whereas in Britain subdivision had to be created, in Australia decentralisation and subdivision were already part of the national system and the necessary organisation was ready to hand in the various State Governments. He also promised that, if the States wished, the Commonwealth would arrange another early meeting between the Minister of Defence and the State Ministers concerned with war planning and, if the need became apparent, this organisation might become a standing committee. In order that the Department of Defence might discharge its functions as a central coordinating authority a section for civil defence and State cooperation would be established within that Department and it was suggested that the States might follow the Commonwealth example by designating one minister to take responsibility for war plans and to appoint a senior officer to assist him.

The discussion on air raids precautions at the conference was much closer to actuality than in 1936. In keeping with the Adelaide decision, a beginning had already been made in some States, and Commonwealth assistance had been given and information exchanged. The Governments now recognised that the completion of the measures already taken was urgent and that the precautions should cover not simply protection against gas as originally planned, but also against raids with high explosive and incendiary bombs. They agreed that the preparation of suitable schemes of passive protection of the civil population and the application of such schemes in time of emergency were essentially a responsibility of each State, and that the schemes would be based on an estimate of the scale of attack which would be conveyed secretly by the Prime Minister to each Premier. The Department of Defence was named as the central coordinating authority for national air raids precautions activities and permission given for the officer in charge of the new section of Civilian Defence and State Cooperation within that department to correspond direct with the responsible officer in each State on technical matters and the execution of agreed policy, and for these Federal and State officers to meet in direct conference on the preparation of defence plans. Each State was asked to appoint a State director of air raid precautions.

During the discussion of these proposals it was revealed that the main concern of the States was the possibility of conflict between the Commonwealth proposals to compile a national register of manpower and the registration and enrolment of key personnel for civil defence and essential services in the States. Reassurance was given, coupled with a suggestion by Street that States should not enrol men for A.R.P. duties unless they were over forty-five years of age.

Thus the conference in March 1939 placed in the hands of the State Premiers a copy of the War Book, together with a schedule of items to

be covered by war planning, and reached an agreement regarding the machinery and the procedures to be used in Federal-State cooperation in preparation for war.

Reports collated in June by the State Cooperation Liaison Officer in the Defence Department for another meeting between Commonwealth and State Ministers show that, after the March conference, the Naval Board, Military Board and Air Board all gave immediate instructions to their senior officers in the States to assist State authorities in carrying out the obligations they had accepted. In each State the District Base Commandant and his staff discussed with State officers the main requirements of State war planning. By June the State authorities in Queensland, New South Wales, Victoria and South Australia had done some work on practically every item of the war planning schedule and New South Wales had completed and South Australia had nearly completed its War Book. The comparative forwardness of work in New South Wales and South Australia appears to have been due largely to the fact that the Governments of those two States each appointed a specially selected State (Defence Cooperation) Liaison Officer to attend to the matter. The Governments of New South Wales, Victoria and South Australia had investigated the question of training factory operatives for munitions production and certain definite proposals had been submitted by New South Wales. Some progress towards the establishment of munitions annexes had been made in New South Wales, Victoria and South Australia. The only works of defence value which had been reported as having been undertaken or proposed by the States, financed fully from State funds, were certain road repair and construction undertakings not of great magnitude in New South Wales, South Australia, Western Australia and Tasmania. In two cases roads being built in New South Wales and Western Australia, while recognised as having a defence value, had not been suggested by the Commonwealth Government. Queensland was making £6,000 available to build the Brisbane-Wallangarra railway cross-over in 1940. Major road and rail works in Queensland and Victoria were being considered contingent on Commonwealth financial assistance. This condition, however, was not surprising for it may be assumed that by the end of March the States had already allocated and possibly spent the available loan money for the financial year ending in June. Queensland and South Australia had entered into discussions regarding the provision of aerodromes but the other States had said nothing.

In A.R.P. there was more to show. With the exception of Western Australia all the States had set up an active A.R.P. control and planning organisation and work was reported to be proceeding "on very satisfactory lines". In Western Australia, although an official Air Raid Precautions Committee had been in existence for over a year, A.R.P. planning was "suffering from lack of a defined State policy" and the liaison officer reported that "unless a proper organisation is established with a definite objective, progress will be slow". The organisation for A.R.P. control set up in each State varied. All States were waiting for a copy of the draft

National Security Regulations which formed part of the documentation supporting the Commonwealth War Book. Because of the strict secrecy of these draft regulations, they had been withheld when the War Book was handed to the State Premiers in March, but planning in the States depended to some extent on a knowledge of the scope and the detailed application of these regulations and, in lack of that knowledge, some States were themselves proposing legislation on matters already covered by the Commonwealth draft regulations.

The June conference of Commonwealth and State Ministers, held in Canberra on the 21st and 22nd, was mainly occupied with subjects of such immediate political importance as wheat stabilisation but, at the tail end of the conference, a meeting of the National Council which had been established in March was held. So far as can be discovered, there was no formal business before the council, and no record was made of its proceedings. The recollections of those who were present are so vague that its transactions could not have had any marked consequences. Apparently, meeting with the Premiers alone and in private, the Prime Minister outlined the world situation and invited a confidential discussion.

This was the only meeting of the National Council ever held. The formal machinery for "coordination of the related activities of the Commonwealth and States" was never used. Instead the looser method was continued of conferring together as and when required, either at conferences arranged for the discussion of particular subjects or at the end of meetings of the Loan Council, and of allowing direct reference between Federal and State officials.

After June, the next occasion of a meeting of Commonwealth and State Ministers was 9th September, after war had broken out, and at that conference, held at Canberra, not even passing allusion was made to the National Council. The conference was devoted to "matters arising out of the state of war", including control of prices and prevention of profiteering, the general financial position of the Commonwealth and the effects of the war on private financial relationships, and proceeded in the manner of any conference arranged for a special purpose.

Those who carry a love for the "clean unpassioned beauty of a great machine" into their study of administrative structures may deplore that an opportunity was lost in 1939 to build a clear, logical and efficient instrument for the wartime coordination of Federal and State activities and they may suggest that the Australian Federation failed to prepare adequately for its efficient functioning as a federation in wartime. Against this view, however, it may be suggested that, after the war broke out, the problem was not one of coordination of governments which all shared responsibility for the conduct of the war. That responsibility fell to the Commonwealth, and the problem was one of devolution to regional authorities, and partly one of facilitating access to those resources of materials, buildings, plant, skill and services which normally came under the administration of the States. What was required was not another council to seek agreement on the conduct of the war but the intermeshing

of State instrumentalities and services with the Australian war machine. In practice, that happened. Any criticism lies not against the Federal Government for not having a national council but against those Federal authorities which needlessly duplicated State instrumentalities instead of using them, ignored State experience and did not seek to make use of State facilities.

Except in A.R.P. matters, in which the States had a clearly defined job to do by themselves, and in War Book action to be taken immediately on the outbreak of war, the pre-war cooperation in planning did not proceed very far. The need to hold a special conference on price-fixing after the war began is an indication of one gap in planning. Labour supply, constructional works and transport were others. A glaring omission was technical training for munitions work. The States had the facilities and, at least a year before the war broke out, the Commonwealth Government had been urged by its own advisers to make use of them to train toolmakers. The State of New South Wales and later the State of Victoria also urged that their technical colleges be used for training but the Federal attitude was expressed in a letter from Lyons to the Premier of New South Wales of 15th February 1939, as follows: ". . . the position is not such as would justify the diversion of funds from defence projects of much greater importance and urgency for the purpose of increasing the facilities for technical education in the several States". It was not until August 1939 that Federal and State officers even began to confer on the subject. A year had been lost by the Federal Government in an activity vital to munitions expansion.

Nevertheless, while substantial progress could not be claimed before the war in cooperation with the States in national planning, enough had been done to ensure that on the outbreak of war those measures of control to be taken immediately by State services for internal security, control and internment of aliens, and protection of vulnerable points and prohibited and protected areas would in fact be taken; there had also been a commencement on civil defence measures. Except in the outlying States, Federal planning had been supplemented by the preparation of detailed State War Books.

C.—Action to be taken by Existing Civil Departments: The War Book planning depended very largely on existing Commonwealth departments. Apart from the wide variety of measures to be taken by the defence services and elaborated in greater detail in War Books prepared by the navy, army and air force, the main responsibility of initiation and coordination was allotted to the Defence Secretariat and the Prime Minister's Department. While the Defence Secretariat would ensure that all necessary procedures were followed so far as the defence services were concerned, the Prime Minister's Department, so it was proposed, would ensure that all the necessary procedures relating to Cabinet, the Executive Council and Parliament were followed, that the pre-arranged proclamations, orders and communications were made on due authority, that the States and

Territories were kept informed and that the pre-arranged measures to be taken by them came into effect. These two departments, too, were intended to bring about liaison with and among other departments.

The War Book foresaw many tasks. Special telephone and telegraph facilities would be needed to cope with mobilisation and the establishment of camps; priorities in traffic would have to operate; censorship would be imposed; intelligence services formed or coordinated, aliens interned, works and installations protected against sabotage, suspected persons detained, counter espionage moves made; communications controlled; oil stored; air raid precautions introduced, lighting restrictions imposed; compensation given for damage to property; ships would be requisitioned, cargo and passenger space allotted, the clearance of ships from port made subject to new conditions; priorities would be used for railway traffic, aircraft controlled, road transport regulated, prohibited or diverted; medical arrangements would have to be coordinated and maybe medical practitioners, hospital space and medical equipment and supplies apportioned to meet military and civilian needs. Trade would have to be controlled and maybe some imports and some exports prohibited. There would be statutory lists of persons and firms with whom British subjects would be forbidden to deal and "black lists" of persons and firms known to be assisting the enemy. The Commonwealth would take over control of enemy patents, designs and copyrights. The marketing of Australian primary products and raw materials and the regulation of their shipment might be necessary. These and dozens of other measures might have to be brought into effect.

Who would do these acts and how would they be done? If even the simplest of controls is to be established someone should work out how to impose the control in a manner that will be effective and which will offend or jolt the community as little as possible. Someone has to draft the regulation and see that it squares with the law. Someone has to see that there is due authority behind the regulation; that it is submitted and approved and promulgated as the parent Act requires. Someone has to write the letters or notices issued under the regulation, and someone has to arrange for their delivery or publication. Someone has to see that they are acted upon in the way required.

The War Book gave primary attention to the question who should do these acts. In a broad way, the responsibility of the various departments was indicated and it was then left to each of them to work out the details and prepare its own departmental war book as a supplement to the Commonwealth War Book.

The preparation of the War Book proceeded by consultation between the Defence Department and separate Commonwealth departments about their respective responsibilities in time of war, and about the middle of February 1939 a provisional draft of twelve out of its eighteen chapters was circulated to departments for study. At the same time an inter-departmental and inter-committee conference on national planning was held.

By July 1939 four more chapters of the War Book had been circulated and in that month a Standing Committee on the Coordination of Departmental Action was established. Representatives of the defence services and each Commonwealth department were asked to attend an inaugural meeting in Melbourne on 10th August with the Chairman of the Industrial Panel (Mr Essington Lewis), the Chairman of the Economic Committee (Professor Giblin), the Chairman of the Principal Supply Officers' Committee (Mr Brodribb), the Economic Adviser to the Department of Supply and Development (Mr Brigden),[5] the Chairman of the Shipping Control Board (Mr Stillman),[6] and the Chairman (Sir Thomas Blamey)[7] and Executive Officer (Mr Murphy)[8] of the Manpower Committee. The Prime Minister opened the meeting, and directed the committee to proceed with the utmost expedition.

Under the chairmanship of Street, after the withdrawal of the Prime Minister, departmental and service chiefs reviewed the progress made in their own departmental planning, appointed committees, asked them to report on 31st December and arranged to meet again on 12th September. War came and meetings were suspended indefinitely.

It may have been partly due to the fact that war came before its work was completed that the War Book gave rather fuller attention to who was to do the work than how the work was to be done. The procedures were left to the departments. Unfortunately Australian departments have never been strong on procedures, nor have Australians been disposed to give much value to them. Initiative, coupled with skill and resource in improvisation, is praised by many Australians as a national characteristic. But if there was one marked defect in Australian administration both at the outbreak of war and throughout the war, it was in procedures. The defect was revealed at times in rough trampling down of conventions and at times by over-elaboration of needless and costly routine, and at times by controversies between rival departments. Any craftsman knows the importance of doing things the right way. Split timber, bent nails and bruised fingers are the common results of faulty procedure. But that was a lesson which, as any reader of wartime departmental files quickly sees, was known to only a few exceptional groups in the Commonwealth administration. Some departments and officers gave a great deal of thought to procedures but the value of their work was often nullified by the thoughtlessness or wilfulness of others.

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[5] J. B. Brigden. (1st AIF: 29 Bn.) Prof of Economics, Univ of Tas 1924-29; Dir, Qld Bureau of Economics, later of Industry and State Statistician 1930-38; Sec Dept of Supply and Development 1939-41 and of Dept Munitions 1940-41; Econ Counsellor to Aust Min in Washington 1942-47. B. Maldon, Vic, 20 July 1887. Died 12 Oct 1950.

[6] W. C. Stillman. C'wealth Immigration officer for Vic 1920; engaged in migration work in UK 1922-25, in Australia 1926-32. Asst Sec Dept Commerce 1935-40. B. Alexandra, Vic, 26 Aug 1889. Died 6 Jul 1940.

[7] Field Marshal Sir Thomas Blamey, GBE, KCB, CMG, DSO. BGGS I Aust Corps 1918. GOC 6 Aust Div 1939-40, I Aust Corps 1940-41; Dep C. in C. ME 1941; GOC in C AMF 1942-46. Of Melbourne; b. Wagga Wagga, NSW, 24 Jan 1884. Died 27 May 1951.

[8] R. J. Murphy, OBE. Cont Labour, Munitions Dept 1940; Asst Sec, Dept Labour and Nat Service 1941-43; Sec Dept Transport 1943-48. Of Melbourne; b. Yengarie, Qld, 16 Dec 1882.

Another gap, to which further attention will be given later, is immediately apparent in the absence of any planning in relation to additional wartime administrative staff or the development of specialised skills in various branches of administration. The Commonwealth Public Service Board does not appear to have been directly associated in any way with national planning in preparation for war nor, by its own reports or actions before the war, does the board reveal that it was aware that a war was impending.

D.—The Creation of New Instrumentalities: Looking chiefly to the outbreak of war, the War Book planners saw no need to bring into existence new wartime administrative machinery or to make any great change in the structure of the existing machinery. One or two small adjustments were to be made and special machinery would be created to deal with such exceptional matters as censorship and information.

The structure of a censorship organisation under the control of Army Headquarters was planned. A Chief Censor, responsible to the Chief of the General Staff through the Director of Military Operations and Intelligence, was to be appointed, with two Deputy Chief Censors, and Censors in each Military District, and various sections and sub-sections to handle cable, radio, postal, press, broadcasting, and film censorship. The manner in which this organisation was to be inaugurated and how it would function were marked out in some detail.

Plans were also made to establish, if it were found desirable to do so, a Publicity and Propaganda Bureau. Its main functions were to be "consideration of matters connected with publicity and propaganda and, in addition, the performance of advisory duties regarding press censorship". It would be an organ of the Prime Minister's Department and would include, in addition to other members, a representative of the Department of External Affairs and a representative of the Australian Press (the latter either in a whole-time capacity or in a consultative capacity only, as might be determined). The organisation of this bureau would be determined by the Prime Minister's Department which would also select the members thereof in consultation with the Department of Defence (Army Headquarters). This was apparently intended as a counterpart of the United Kingdom plan to establish a Ministry of Information. Like the inauguration of censorship the establishment of this bureau was to be a matter for Government decision.

The War Book also made suggestions for meeting the problem of coordination between departments and enlisting the aid of State authorities and non-governmental groups by the creation of committees. The committee or board, either advisory or executive, was to become a feature of Australian wartime administration and the beginnings are of more than passing interest. It was anticipated that it would be necessary to establish a Shipping Control Board, and the Commerce Department was charged with preparing, in consultation with the Defence Department, recommendations for submission to Cabinet regarding the composition and functions of such a board and the names of members. It was thought

probable that the board might be composed of a Minister as chairman, a Controller of Shipping as deputy chairman, representatives of the shipping trade (one to be nominated by the overseas and two by the interstate shipping associations), the Secretary of the Marine Branch of the Department of Commerce, one representative of the navy, and one director of shipping works.

Similarly, it was suggested that "if the situation demands Commonwealth control", a War Railways Executive Committee and a Railways Priority Committee should be created. The first-mentioned would consist of the chief executive officer of each State railways organisation and of the Commonwealth railways, and the Priority Committee would have the Quartermaster-General of the Army as chairman and members representative of the War Railways Executive Committee, the Department of Supply and Development, the Advisory Panel on Industrial Organisation and the Shipping Control Board. Authority under the *Defence Act* and the draft National Security (General) Regulations, which were being held in readiness, would be sufficient to enable the Minister for Defence to create and appoint these bodies and Army Headquarters was charged with the responsibility of arranging the consultation of the Chiefs of Staff on whether control was necessary and, if so, to seek the Minister's approval. The approval and cooperation of the States had been pre-arranged. Later State Priority Committees might become necessary.

Following the anticipated assumption of control of all medical arrangements, it was anticipated that peacetime bodies would be reconstituted to form a Central Executive Medical Committee, which would be responsible for the control, provision and distribution, as between the defence services and the civil community, of medical personnel, hospital accommodation and medical equipment. This body, too, could be created by the Minister for Defence under National Security Regulations and its members named by him. Its members would be a chairman appointed by the Minister, a medical officer of the Defence Department (if not appointed chairman), the Director-General of Health, and a representative of the British Medical Association in Australia. The organisation would be filled out by State Medical Executive Committees and a Medical Equipment Sub-Committee.

In order to assist the Department of Trade and Customs in matters relating to trading with the enemy and to support measures of economic warfare taken by the United Kingdom, the appointment of an Economic Warfare Advisory Committee was to be recommended to Cabinet. The committee would consist of representatives of the Federal Departments of Trade and Customs (chairman), External Affairs, Treasury, Supply and Development, Commerce and Defence.

In the plans prepared by the Department of Commerce for the control of the overseas marketing of primary products and raw materials, a whole network of committees representative of growers, brokers, the administration and of other interests was designed, made up partly from existing marketing boards already functioning under statutes, and partly from

boards to be newly created by the Minister for Commerce under National Security Regulations. The Australian Dairy Produce Board, the Australian Apple and Pear Board, the Australian Canned Fruits Board, the Queensland Sugar Board and the Wine Overseas Marketing Board would be associated with the Department of Commerce in the control of the various commodities in which they were interested, and, if their statutory powers were insufficient, the Minister would approve, under the National Security Regulations, such additional wartime powers as were necessary to implement the pre-arranged plans. New committees would be created for wool and sheepskins; wheat, flour and other cereals; hides and leather; non-ferrous metals; and eggs in shell. As soon as it was found necessary it was also planned to set up on the Minister's approval, a Central Shipping Committee and State Shipping Committees, composed of "experienced shipping representatives", which in consultation and cooperation with the Shipping Control Board would work to see that the available shipping space was used to the best advantage.[9]

4—THE SUPPLY AND DEVELOPMENT ACT

When Menzies constructed his Cabinet in April 1939 he made a new portfolio of Supply and Development and entrusted it to one of his most senior Ministers, Mr Casey, who in the ensuing session of Parliament introduced the Supply and Development Bill, which was to be administered by the new department. "It will be the task of the new department," said Casey, "to develop and forward the work of the efficient supply of the requirements of the armed forces of the Commonwealth and to extend the scope of industrial and economic preparedness for any emergency that may arise."[1] He added that apart from the aspect of defence supply the measure also contained "the idea of some appreciable degree of national planning". Among the purposes of that planning were to meet the situation in Australia if supplies from overseas were cut off and to enable Australian industry to continue without dislocation in time of war. Among the duties of the new department would be a stocktaking of industry and material resources.

The newly-created department suffered somewhat, both in its origins and in its wartime development, from the mingling of its functions. The clearest and most urgent of the tasks laid on it concerned the acceleration and expansion of the production of munitions and aircraft. The control of all munitions factories established under the *Defence Act* and eighteen industrial annexes which were being established was confided to the new department, and it was given the responsibility for the manufacture of fighting aircraft in Australia. This was a precise job of production for war. Its separate and specialised nature was illustrated when, after war broke out, speed and efficiency were obtained by transferring these func-

[9] For the steps actually taken after the outbreak of war for the creation of new administrative machinery, see Chapter 11.

[1] *Commonwealth Debates*, Vol 159, p. 306.

tions from the Department of Supply to new Departments of Munitions and Aircraft Production. That step might with advantage have been taken before war came and munitions and aircraft production, which had hitherto been under the control of branches of the Defence Department, made separate departments but kept in close relation with the fighting services rather than being associated with those other matters of broad economic policy, development of resources and, eventually, of production and allocation of supplies of all kinds which were handled by Supply and Development. Indeed, in March 1939 there was in existence a memorandum by the Controller of Munitions Supply, Mr Jensen[2] (whose lifetime experience in this branch of administration appears to have been undervalued at this time, although fully recognised later) setting out with detail and precision just such an organisation of munitions supply as was eventually found necessary in an intensified munitions programme and adopted a year after the outbreak of war.

Besides being charged with a major job of factory expansion and operation, the new department had to consider such diverse aspects of war as the broad principles of the economic policy of Australia, the stockpiling and allocation of essential supplies, the control of prices and profits in the private manufacture of munitions, and the extension of scientific investigation, hitherto chiefly into primary industry, to problems connected with secondary industry. Throughout its wartime life the Department of Supply underwent various changes in function and throughout its life each change was both necessitated and made difficult by the fact that originally the functions of making munitions, producing local supplies, procuring imports, allocating supplies, the organisation of industry, and the shaping of the overall economic and financial policy of the country, had not been clearly enough distinguished or carefully enough considered in relation to the needs of the nation or the functioning of existing instrumentalities.

The general function of "development" had been tacked on to the function of "supply" partly in order to help sell the Bill at a time when the nation as a whole was still not acutely conscious of the danger of war, but this function was subordinated at the onset of war.

In the setting-up of the new department there were the usual discussions and delays about details of function which seemed to be inevitable in Australian administration whenever an attempt was made to reapportion duties. While the Bill was still being discussed and for months after its passage correspondence was flowing and long meetings were being held between the Defence Department and the new department on such questions as whether or not the Munitions Inspection Branch should remain with the services which used the munitions or with the department that arranged their production; how, where and by whom functions in relation to demand for supplies, orders for purchase, design and specifications, delivery and financial authority should be performed. Was a new committee necessary

[2] Sir John Jensen, OBE. Chairman Defence Contract Bd 1923-39; Controller of Munitions Supply 1937-39; Asst Sec Depts of Supply and Munitions 1939-41; Sec Dept Munitions 1941-48. Of Melbourne; b. Bendigo, Vic, 20 Mar 1884.

to consider questions of priority between the three services and between service and civilian needs? Was there a need for a new committee to standardise or coordinate specifications for common stores? Should the Principal Supply Officers' Committee in the Defence Department be maintained with continued service representation?

The announced intention when the Department of Supply and Development was created was not to form "new and formidable administrative machinery" but to take over from the Defence Department such machinery as already existed and to cooperate closely with the Departments of Defence, Trade and Customs and Commerce. The Advisory Panel on Industrial Organisation, the Economic and Financial Advisory Committee and the Standing Committee on Liquid Fuels, which had hitherto worked as "consultative bodies" with the Defence Department, were transferred to the new Department and were added to by the creation of an Accountancy Advisory Panel to advise on costing and profit control for the production of munitions by private industry.

In practice, in the two months that remained from its establishment in June until the outbreak of war, the new department was engaged on the one hand in making readjustments in the munitions production organisation and, on the other hand, in trying to complete defence planning on the economic side. One of the first actions of the department was to hold a conference on planning which brought together various bodies which were already working on different aspects of the economic effects of an outbreak of war. As an outcome of this meeting a Seaborne Trade Committee was created in July under the Department of Supply and Development to coordinate policy between the Treasury, Customs, Commerce and Supply. Brigden, appointed initially as Economic Adviser of the Department of Supply and Development and already well acquainted with the work through membership of the Economic and Financial Committee, was able to devote most of his time during the few remaining months to completing the economic planning.

The activities undertaken in this field before the war are sufficiently indicated by the proceedings of an Inter-Committee Conference on Supply Aspects of Planning for an Emergency which was held at the Department of Supply and Development, Melbourne, on 8th August 1939. It was reported that a draft had been completed of a questionnaire to factories under the *Supply and Development Act*. In the voluntary questionnaire on productive capacity held before the passage of the Act as the result of discussions between the Industrial Panel and the Economic and Financial Committee, 5,165 papers had been issued and 1,976 replies received but no more had been coming in since the passage of the Act. The Principal Supply Officers' Committee had set up a Foodstuffs Sub-Committee and Oil Fuel Sub-Committee. The Advisory Panel of Accountants had been appointed and after meetings on 19th and 20th June and from 17th to 22nd July, its first report was being prepared. The Cabinet decision of 26th June setting up the Seaborne Trade Committee had defined the emergency to be prepared against; the navy had supplied estimates of the

availability of oversea shipping in time of war and it was assumed for purposes of planning that oversea shipping would decline to 70 per cent on the outbreak of war and would decline to 55 per cent at the end of the first year. The committee had recommended, *inter alia,* the "establishment of a committee to prepare plans for orders of commodities to be placed as soon as war breaks out, to allocate priorities in shipping space, and in cooperation with the financial authority to allocate funds for the purchase of imports". This was now the subject of departmental attention. The Standing Committee on Liquid Fuels was investigating the question of developing within Australia substitutes for imported petroleum products. The Department of Commerce was engaged in planning in regard to export products and shipping. A Wool Advisory Committee had been appointed and complementary committees had been set up in Australia and in London to deal with non-ferrous metals. A Shipping Advisory Committee to deal primarily with the control of Australian coastal services had met several times and arrangements made for the appointment of an Oversea Shipping Committee to deal with problems arising out of the transport of exports.

5—MANPOWER AND THE NATIONAL REGISTER

As early as 8th August 1938 a minute submitted by the Secretary of the Department of Defence to the Minister reported delay in preparing plans regarding manpower "owing to the difficulty in obtaining the cooperation of organised labour". An invitation to the Australasian Council of Trade Unions to nominate a Trade Union Advisory Panel corresponding to the Advisory Panel of Industrialists had not yet been accepted. There was thus likely to be considerable delay in carrying out the Government's original intention to establish a Manpower Committee on which both the Trade Union Panel and the Industrial Panel would be represented. Nevertheless, the minute continued, important preliminary work should be advanced with a full understanding of the requirements of the army, navy, air and munitions services, so that data would be available for a more representative committee at a later date, and it was proposed that a Manpower Committee be set up with a membership confined to departmental officers.

The Minister for Defence approved the proposal and on 16th September created a committee composed of the Adjutant-General as chairman, plus the Controller-General of Munitions Supply, Second Naval Member, Air Member for Personnel and the Industrial Officer of the Department of Defence to survey the manpower of the Commonwealth and its allotment in an emergency to the armed forces, munitions factories and key industries. In informing the Naval, Military, Air and Munitions Supply Boards of the decision, the Secretary of the Department of Defence said that the Minister contemplated at a later stage the expansion of the committee to include representatives of the Advisory Panel of Industrialists and the Trade Union Advisory Panel and the following additional subjects would then be included and therefore need not be considered by the Committee

at this stage: control of wages, movement of industrial labour, engagement of labour, trades disputes, etc.[3]

The Minister for Defence submitted a memorandum on the subject to Cabinet on 14th November 1938 and Cabinet decided that as the Adjutant-General was occupied with militia recruiting a separate chairman of the Manpower Committee should be appointed, and Sir Thomas Blamey was nominated to work full-time for a "few weeks" to help the urgent completion of measures necessary for a National Register, and thereafter supervise the work part-time.

Regarding the failure to obtain trade union cooperation on this question, which perhaps affected the workers individually more than any other, the Prime Minister had already made reference in public. When, in supporting a no-confidence motion against the Government on 2nd November 1938, the Opposition had attacked it for lack of leadership in defence and, in proclaiming Labour's superior defence policy, had made special reference to the need for "a survey of manpower resources, industrial and primary", Lyons was moved to a strong rejoinder:

> The Government has already sought the cooperation of the Australasian Council of Trade Unions and has failed to get it . . . First of all, representatives of the Defence Department conferred with the A.C.T.U., and finally I have conferred with their representatives in company with the Minister for Defence. We made concessions, and gave guarantees to allay the fears in their minds regarding the conscription of labour and so on. We gave definite assurances that no profiteering would be permitted by the Government, and yet we were unable to obtain that cooperation for which I had hoped and for which I still hope, in the interests of the country. If the Leader of the Opposition can secure their cooperation in regard to a survey of manpower, he will be making a substantial contribution to the defence programme of Australia.[4]

The attempts to obtain cooperation were continued by both the Lyons and Menzies Governments. Menzies, like his predecessor in the Prime Ministership, conferred personally with trade union leaders. Most of this negotiation was apparently done personally and little of its details appears to have been recorded by either side. The reasons for the failure, however, seem to have been partly the influence of those sections of the industrial wing who were opposed to Australian rearmament or participation in war, distrust of a non-Labour government and domestic disputes within the trade union movement which made it impossible for the A.C.T.U., or any other single authority, to complete negotiations in the name of the Labour movement as a whole. On several occasions after negotiations with trade union leaders, the possibility of setting up the Trade Union Advisory Panel appeared to be in prospect, but when the leaders referred the proposals back to the Trades Hall the hopes collapsed for reasons that were never made wholly clear to the Government.

At its meeting on 14th November Cabinet also directed the Chairman of the Manpower Committee, the Commonwealth Statistician and the Secretary of the Department of Defence, to report on measures necessary for

[3] Defence Department file 0.130/1/747.

[4] *Commonwealth Debates*, Vol 157, p. 409.

a national register, including its basis (whether voluntary or compulsory), the organisation required and the estimated cost of establishing and maintaining it. In his speech in the House of Representatives on 8th December the Minister for Defence, Mr Street, included the "organisation of manpower" among several steps necessary to complete the Government's plans for a national emergency.

In May 1939, following an uncompleted project by the Lyons Government in February for a voluntary register, Street introduced a National Registration Bill providing for a manpower survey by means of a census of all males between the ages of 18 and 64 and the establishment of a national register of manpower controlled by a National Register Board. The purpose was to enable the allocation of manpower, in accordance with national requirements in an emergency, to be planned in advance. The introduction of the Bill was accompanied by assurances against industrial conscription.[5]

The Bill was opposed by the Opposition on the grounds set out *seriatim* by Forde, who led the Opposition attack, that it was a step towards industrial conscription, that it was the forerunner of compulsory military training, that it made no provision with regard to wealth, that "the disingenuous excuse that the sole purpose of the bill is to prevent waste of trained men in time of war" was unconvincing; and that it disregarded "the imperative need for an Australian contribution towards a solution of the economic and social problems that have led to the present world unrest".

In view of the fact that, in October 1938, in declaring thirteen points of Labour's defence policy, Curtin had placed first among them a manpower survey because it was "essential that the number of men able to carry out all forms of work be known", the Labour opposition would appear somewhat captious and directed less against the measure than against the Government. A great part of the debate was an expression of distrust of the Government's motives. Street was able to argue cogently that a register of wealth was unnecessary and impractical and that, through its unlimited taxation power, the Government could do whatever it liked at any time in using the national wealth, while under the Supply and Development Bill it could obtain all the information it needed about industrial resources for defence planning. Nairn,[6] the U.A.P. member for Perth, however, moved to include a census of wealth in the Bill, and the Minister, while still doubting the practical value of such a survey, said that if its inclusion would remove hostility to the Bill the Government was prepared to include it. This amendment was agreed to on the voices. The Bill was passed on a party vote.

On 27th June 1939 the Manpower Committee presented a scheme for "a skeleton organisation at a minimum cost, that can become operative immediately in the event of national emergency and which will obviate the worst features and disadvantages of indiscriminate enrolment and which

[5] *Commonwealth Debates*, Vol 159, p. 310 et seq.

[6] Hon W. M. Nairn. MHR 1929-43; Speaker 1940-43. Journalist and lawyer. B. Victoria.

will, at the same time, fit into the general requirements of the national register". Its objects were—

(1) To ensure the allocation of manpower from the outset to prevent men of special qualifications whose services can be better utilised to meet national requirements from enlisting in the combatant services.

(2) To ensure that the requirements of the combatant services in skilled personnel are adequately met.

Broadly, the scheme was to prepare a provisional list of reserved industries and occupations and to form a small central staff of two "officers", two clerks and two typists, six district manpower officers to be appointed forthwith to each military district, and other manpower officers and representatives to be selected and instructed in readiness for mobilisation, so that, armed with the provisional lists, they could attend at recruiting depots. It was admitted that the scheme did not deal satisfactorily with manpower in regard to government departments and essential services (railways, electric services, tramways, etc.).

This scheme was "approved in general" by the Minister for Defence on 25th August. Organisation proceeded, and Manpower Circular No. 1, setting out the organisation and its proposed method of work, was issued on 2nd September and the appointment of District Manpower Officers approved by the Minister on the same date.

Meanwhile the committee had been working on the compilation of a List of Reserved Occupations. An extensive draft had been in existence in June 1939[7]—a fact which disposes of a popular legend that on the eve of war the list was hurriedly compiled from the classified business and professional section of the telephone directory—and it was extended and amended in discussions between then and the outbreak of war.

Thus, hurriedly and still incompletely, Australia was preparing for war. When war came the new Government had just settled into office; the War Book was just about to reach its final form; the reorganisation of supply and munitions and the preparations for the planned use of manpower had just commenced; the cooperation with the States in defence works was just beginning to show some result. The people of Australia, too, had just become conscious of a great danger.

[7] Defence Department file 524/402/448.

CHAPTER 4

AUSTRALIA ENTERS THE WAR, SEPTEMBER 1939-APRIL 1940

1—THE DECLARATION OF WAR

THE final sequence of events leading to the announcement that Australia was at war commenced on Thursday, 24th August 1939. The Australian Government had been informed by the United Kingdom of the letter of 22nd August from the British Prime Minister to the German Chancellor warning him that His Majesty's Government was determined to fulfil Great Britain's obligations to Poland and that, if the case should arise, they were resolved and prepared to employ without delay all the forces at their command.[1] Australia had also been informed of the British proposal to summon Parliament at Westminster on the 24th and to seek wide emergency powers. Knowing that this warning had been given to Germany, the Australian Defence Committee met on the 24th and prepared recommendations for the Cabinet for action appropriate in case of a threat of war. Cabinet met in Canberra in the evening and gave tentative approval under the *Defence Act* to certain draft legislation in order to ensure that the Government would possess all the general powers necessary for defence purposes in a national emergency and power to control aliens, shipping and aircraft and exchange movements. Preparatory measures were also authorised in each of the three services to ensure that if and when the precautionary stage were adopted the required action could be taken promptly. On the following day the Executive Council approved the necessary regulations and they were published in the *Commonwealth Gazette* late that night and on Monday morning. In the meantime, through the Defence Committee, the action approved for the services was also being taken.[2]

On the night of the 24th, following the Cabinet meeting, the Prime Minister issued a public statement to the effect that, while the British Government did not despair of a peaceful settlement and had not closed the door on negotiation, the state of tension was such that no preparation for war could be neglected. On the evening of the 25th, before leaving Canberra for Melbourne, he broadcast to the nation explaining the situation and the British determination to honour pledges given to Poland. He warned the people that "the next few hours may find the world at war". "We in Australia are involved," he said, "because, in plain English, the destruction or defeat of Great Britain would be the destruction or defeat of the British Empire and would leave us with a precarious tenure of our

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[1] See *House of Commons Papers*, Cmd 6106 Miscellaneous No. 9 (1939). Document No. 56.

[2] *Commonwealth Gazette* No. 55, 25 Aug, contains the notification of Statutory Rules 1939 Nos. 73, 74, 75 and 76 dealing with general powers, ships and aircraft transfer, passports and aliens control; *Commonwealth Gazette* No. 56, 28 Aug, contains the notification of Statutory Rules 1939 Nos. 77 and 78 dealing with monetary control and export of money prohibitions. For details of service measures see the relevant volumes in the army, navy and air series.

own independence." He told the people that, following preparatory work during recent months, certain well-considered precautionary steps particularly related to vital points in Australia had been taken and asked them to carry on normally, remembering that it was never the Australian habit to be rattled, to lose a sense of proportion or to exaggerate danger. "You may rely upon it that everything that can conceivably be done by us and by the various services will be done to preserve this country from attack should attack threaten it, and to enable us to cooperate in the most effective way with other British countries in the honouring of a great British guarantee, and contributing to the security and well-being of the mother country of all British countries."

The week-end passed without news of war. The early part of the new week brought tidings of further diplomatic exchanges. Military preparations continued but uncertainty was shot through with a gleam of hope. "Time runs in favour of peace, but it would be a great mistake to consider that the danger point has passed," the Prime Minister said at his Press conference on Thursday, 31st August. On the same night he again broadcast to the nation, commending its calmness, steadiness and cheerfulness during the shifts and changes of an anxious week. On the whole, he thought he would be justified in saying that in the past week there had been some improvement though the danger was still great and the need for a resolute spirit still imperative. He told the people of the preparations—the emergency regulations, all naval ships in commission and in a state of readiness, arrangements made for manning coastal defences and for guarding places of military importance; the movement of Royal Australian Air Force squadrons to their operational stations and the provision of stores, equipment, fuel and ammunition; the stepping up of production in the government munitions factories. "Australia, like the mother country, desires peace and is working hard to preserve it," he continued, "but if it is to be war, a war which we will neither seek nor provoke, then we must be prepared. I took this opportunity of saying something to you tonight so that you might realise that everything that can be done is being done, and that in consequence you may go about your ordinary daily activities with the quiet but resolute confidence that knowledge may help you to feel."

Another week-end came—in all the southern areas a balmy springtime week-end luring people out of doors to their games, excursions into the hills, long drives into the country or quiet pottering about in the garden—a week-end that had its own persuasion to being spent normally and cheerfully without sensationalism or anxiety. Probably in the keen air and the mild sunshine of such a week-end most people forgot completely that a few days ago the Prime Minister had enjoined the people to make an effort to behave calmly. It was easy to be cheerful by pleasant circumstance.

On Thursday Cabinet had decided that it would not meet again until Monday unless an emergency arose. Early on Friday afternoon Menzies left Melbourne by motor-car for Colac to fulfil a previously-accepted



Herald (Melbourne)

The Prime Minister, the Rt. Hon. R. G. Menzies, broadcasts to the nation, 9.15 p.m. 3rd September 1939.



Argus (Melbourne)

Inaugural meeting of the Australian War Cabinet, Victoria Barracks, Melbourne, 27th September 1939. L. to R.: The Minister for Commerce, Senator the Hon. George McLeay; the Minister for External Affairs and for Information, the Hon. Sir Henry Gullett, K.C.M.G.; the Minister for Supply and Development, the Rt. Hon. R. G. Casey, D.S.O., M.C.; the Prime Minister and Treasurer, the Rt. Hon. R. G. Menzies, K.C.; the Minister for Defence, the Hon. G. A. Street, M.C.; and the Secretary to the Department of Defence and to the War Cabinet, Mr F. G. Shedden. (The Attorney-General, the Rt. Hon. W. M. Hughes, K.C., was absent.)

engagement. The situation as seen in Australia at that time (at a time corresponding to the European night of 31st August-1st September) was that terms of settlement had been suggested by Germany and discussions with Poland might be expected to follow.

Late on the Friday afternoon (at a time corresponding to the late morning of 1st September in Western Europe) news was heard by radio, both from news broadcasts and the Berlin stations, that Polish cities had been bombed, that German troops had crossed the frontier, that Herr Foerster had announced the return of the Free City of Danzig to the Reich. Menzies returned to Melbourne and, shortly after 11 p.m., Cabinet met in the Commonwealth Offices. Later that night—in the early hours of Saturday morning, 2nd September—the precautionary stage provided for in the War Book was adopted and at 3 a.m. Menzies broadcast to such Australians as were still awake and listening that, although there was still "no official confirmation of these matters", the frequency and character of the reports left little doubt that hostilities had begun. Australia was on "the very brink of war".

The adoption of the precautionary stage was signalised by the issuing of a proclamation declaring the existence of the danger of war, thus making the provisions of the *Defence Act* 1903-39 relating to a "time of war", applicable.[3] By a later proclamation on the same day, the Citizen Forces, naval and military and air, were called out for war service and ordered to attend as they might be directed by the Naval, Military and Air Boards.[4] Forces proceeded to take action as pre-arranged for the precautionary stage. On the previous day, in exercise of the powers conferred by the Defence (National Security General) Regulations, made and notified on 25th August, postal censorship had been imposed.[5]

After a few hours' rest, members of the Cabinet again met at the Commonwealth Offices on Saturday morning. They then had before them an account of the interview between Lord Halifax[6] and the German Chargé d'Affaires in London on the morning of 1st September, the instruction given by Halifax to the British Ambassador in Berlin to seek assurances from Hitler and the Ambassador's report that this communication had been delivered and his expectation that Hitler would attempt to avoid war with Britian and France.[7] Ministers considered the situation and dispersed without any decisions having been made. They reassembled informally on Sunday morning and again dispersed at 1 p.m. on the understanding that they would be available to respond to a sudden summons. During the afternoon it was learnt officially that Halifax had instructed the British Ambassador to deliver an ultimatum to Hitler expiring at 11 a.m. British summer time (8 p.m. Eastern Australian time).[8]

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[3] *Commonwealth Gazette* No. 61.

[4] *Commonwealth Gazette* No. 62.

[5] *Commonwealth Gazette* No. 60.

[6] Rt Hon Earl Halifax, KG, OM, GCSI, GCIE. Viceroy of India 1926-31. Sec of State for Foreign Affrs 1938-40. Brit Ambassador to USA 1941-46. B. 16 Apr 1881.

[7] *House of Commons Papers*, Cmd 6106. Documents 114, 110 and 111.

[8] *House of Commons Papers*, Cmd 6106. Document 118.

The Prime Minister and senior officials were waiting at the Commonwealth Offices when that hour approached. At 8 p.m. short-wave wireless listeners throughout Australia heard the announcement by Chamberlain that Great Britain was at war with Germany.

Ministers were called together. The situation was not precisely what the War Book planners had imagined. An official telegram was supposed to be the key that set the machinery going, but now wireless broadcasts had told the world the news within a few seconds of the event. Ministers waited and pondered and decided to accept the wireless broadcast in Chamberlain's voice as containing its own confirmation of the news of British action. Doubt was further cleared when the British Admiralty telegram announcing the commencement of hostilities against Germany was received at the Navy Office, Melbourne, and passed on to the Prime Minister.[9]

Once the news that Britain was at war had been accepted as authentic all other action was consequential. The Executive Council approved of the prepared proclamation declaring a state of war to exist and at 9.15 p.m. from the room of the Postmaster-General at the Commonwealth Offices, Melbourne, Mr Menzies announced over every national and commercial broadcasting station in Australia:

It is my melancholy duty to inform you officially that, in consequence of a persistence by Germany in her invasion of Poland, Great Britain has declared war upon her and that, as a result, Australia is also at war. No harder task can fall to the lot of a democratic leader than to make such an announcement.

Great Britain and France, with the cooperation of the British Dominions, have struggled to avoid this tragedy. They have, as I firmly believe, been patient; they have kept the door of negotiation open; they have given no cause for aggression. But in the result their efforts have failed and we are, therefore, as a great family of nations, involved in a struggle which we must at all costs win, and which we believe in our hearts we will win.

The Prime Minister reviewed the events of the past ten days. It was clear that Hitler had been set upon war. If Germany had wanted peace there need have been no fighting. Hitler's proposals for settlement had been merely a bid for world opinion before he set his armies on the move.

It is plain—indeed it is brutally plain—that the Hitler ambition has been, not as he once said, to unite the German peoples under one rule, but to bring under that rule as many European countries, even of alien race, as can be subdued by force. If such a policy were allowed to go unchecked there could be no security in Europe, and there could be no just peace for the world.

A halt has been called. Force has had to be resorted to to check the march of force. Honest dealing, the peaceful adjustment of differences, the rights of independent peoples to live their own lives, the honouring of international obligations and promises—all these things are at stake.

There never was any doubt as to where Great Britain stood in relation to them. There can be no doubt that where Great Britain stands there stand the people of the entire British world.

Bitter as we all feel at this wanton crime, this is not a moment for rhetoric; prompt as the action of many thousands must be, it is for the rest a moment for

[9] The official cablegram to the Australian Government through the Dominions Office was eventually received at 3 a.m. on the 4th, seven hours after the event.

quiet thinking, for that calm fortitude which rests not upon the beating of drums, but upon the unconquerable spirit of man, created by God in his own image. What may be before us we do not know, nor how long the journey. But this we do know, that Truth is our companion on that journey, that Truth is with us in the battle, and that Truth must win.

Before I end, may I say this to you? In the bitter months that are to come, calmness, resoluteness, confidence and hard work will be required as never before. This war will involve not only soldiers and sailors and airmen, but supplies, foodstuffs, money. Our staying power, and particularly the staying power of the mother country will be best assisted by keeping our production going; by continuing our avocations and our business as fully as we can; by maintaining employment and with it our strength.

I know that, in spite of the emotions we are all feeling, you will show that Australia is ready to see it through. May God in his mercy and compassion grant that the world may soon be delivered from this agony.

In the course of his review of the events leading to the war, the Prime Minister had intimated that at the previous week-end the Australian Government had informed the British Government of its views and that the views of the Australian Government were in accord with the British Government's communication to Hitler on the evening of 28th August to the effect that Britain wanted a complete and lasting understanding with Germany, that a prerequisite to such a state of affairs was a settlement of German-Polish differences, that Britain had obligations to Poland and that Britain could not acquiesce in a settlement which would put in jeopardy the independence of a state to which it had given its guarantee.

Later Mr Menzies informed Parliament in greater detail of the course of events in Europe and of the views expressed by Australia on 27th August and subsequently to the United Kingdom Government. Australia's view, he said, had been that the British Government should make it clear to Hitler that the merits of Danzig and the Polish Corridor were regarded as quite open to argument and that we should use our influence with Poland to procure some form of arbitrament or adjustment so long as Germany was prepared to play its part, but we felt that the time was opportune for a general European settlement which would recognise Germany's obligations to Italy and Britain's obligations to France. References to possible future limitations of armaments were also welcomed. Australia suggested that it should be emphasised that there was amongst all the British peoples a genuine desire for good relations with Germany, but this desire was not inconsistent with the determination to fight Germany in what seemed a just cause. Yet it would be a tragedy if the two nations should fight, each believing its cause to be just, when unprejudiced discussion and desire to understand each other's point of view might have averted conflict. Australia thought that a clear statement of Hitler's aims should be obtained if possible, that any German proposals should not be dismissed simply because they were vague or occasionally meaningless, but that it was essential that the British approach to the whole problem should be liberal and generous so long as generosity was at our own expense and not at the expense of others. We should not connive at a Polish settlement which would leave Poland at such a disadvantage in the

negotiations as would render it probable that its future history would resemble that of Czechoslovakia.[1]

The prompt declaration that Australia was at war was accepted without demur from any significant quarter in Australia. The Prime Minister's statement over the air had been followed by formal notification in the *Commonwealth Gazette* on the night of 3rd September; and, on the morning of the 4th, the Prime Minister sent a message to Mr Chamberlain informing him that Australia had proclaimed a state of war.

The notification in the *Gazette* read as follows:[2]

Outbreak of War

It is hereby notified for general information that War has broken out between Great Britain and Germany.

Dated this Third day of September, 1939.

Robert G. Menzies
Prime Minister.

PROCLAMATION

Commonwealth of
Australia to wit
Gowrie
Governor-General.

By His Excellency the Governor-General in and over the Commonwealth of Australia.

Whereas by the Defence Act 1903-1939 it is amongst other things enacted that the expression "Time of War" used in that Act means any time during which a state of war actually exists and includes the time between the issue of a proclamation of the existence of war or of danger thereof and the issue of a proclamation declaring that the war or danger thereof, declared in the prior proclamation, no longer exists.

Now therefore I, Alexander Gore Arkwright, Baron Gowrie, the Governor-General aforesaid, acting with the advice of the Federal Executive Council, do hereby proclaim the existence of war.

(L.S.)

Given under my Hand and Seal of the Commonwealth this Third day of September in the year of our Lord One Thousand Nine Hundred and Thirty-nine and in the third year of His Majesty's reign.

By His Excellency's Command,
G. A. Street,
Minister of State for Defence.

God Save the King!

The proclamation, when read in conjunction with the notification, made it clear that Australia regarded herself as being at war and implied the acceptance of the view that, if the Crown was at war, then Australia as a Dominion of the British Commonwealth also was at war. Departmental papers have failed to reveal any prior deliberation by constitutional advisers on the alternative forms which the declaration might have taken.

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[1] *Commonwealth Debates*, Vol 161, pp 28-36.

[2] *Commonwealth Gazette*, No. 63.

The views of the Prime Minister himself on the constitutional question were so well known and so firmly based on the view, also held by other members of his party and publicly expressed, that the British Commonwealth relationship rested on a common loyalty to an indivisible Crown, that it is unlikely that the question would have been admitted as containing any room for argument. Menzies himself has described the idea that the King can be at war and at peace at the same time as "a metaphysical notion that quite eludes me".

Apart from the constitutional aspect of the question there were other reasons for announcing Australia's entrance into the war promptly. Undoubtedly the great body of Australian opinion would support a war of resistance to Hitlerite aggression and a considerable body of opinion would also regard support of Great Britain in time of war as a fundamental of Australian patriotism. Moreover, the Prime Minister and others, having regard to the general situation in Europe, believed that a decisive show of united strength was likely to prove important in rallying resistance to the latest German encroachment, while to allow delay over constitutional niceties and to invite arguments as to whether Australia should or should not go to war would only weaken the number of adherents to a cause which the great majority of Australians supported. A prompt and decisive entrance into the war was necessary in order to leave no doubts at home and to hearten the other allies of the British Commonwealth.

The prompt declaration by Australia contained more than an interpretation of the constitutional relationship between Great Britain and the Dominions. A statement that Australia was at war because Britain was at war does not express the whole truth. A constitutional theory alone could not have led to so prompt a declaration if Australians had not approved the cause for which they were to fight; and the endorsement of the declaration by all political parties was not necessarily an endorsement by every one of them of the view which the Government had taken of Australia's position as a member of the British Commonwealth.

Why was Australia at war? Why did the breach of a frontier in Eastern Europe cause a nation in the Antipodes to take up arms? There could have been little doubt since September 1938 that if the course of events in Europe involved Great Britain in war with Germany, Australia would also be involved. Although the guarantee to Poland which brought Great Britain into war was given without prior consultation with the Australian Government and although the Australian Government was not called upon to share that guarantee and was not committed by it, there was apparently no doubt on her part that she too would accept the consequences of that policy. In the week of negotiations with Germany immediately before the outbreak of war, Australia did in fact offer her own suggestions for a possible line of approach to Hitler and by that participation in the working out of the British policy may be considered to have identified herself with it. It is clear, however, that Australia was not brought into war against Germany by reason of a formal commitment, or because she had underwritten a European policy. She did not go to war to fulfil

an international obligation or to meet an immediate threat to her own territory.

There are three reasons readily distinguishable in parliamentary speeches and public comment on the outbreak of war by representatives of all political parties. Australia entered the war partly because of the view she held of her own membership of the British Commonwealth of Nations, partly because she saw that the overthrow of Great Britain in Europe would eventually mean a direct threat of the overthrow of Australia either by Germany or Japan, and partly because of her view of international morality and the foundations of a stable community of nations. Each of the three influences worked with different force on different sections of the community but it would seem that at rock bottom all sections shared in making the moral judgment and it was this moral judgment that unified the country in a way in which neither the membership of the British Commonwealth nor agreement on the best way of obtaining security for Australia could have unified it. For a war started in different circumstances or presenting a more immediate distinction between defence of Australian coasts and assistance to the British Commonwealth, the family ties alone might not have brought Australia into war without controversy or division of opinion. The forms chosen and the promptness of the response might suggest that her entrance into war was automatic. In reality it was deliberate and expressed more than anything else an Australian decision which the country had been steadily shaping and had fully accepted for weeks before 3rd September that, in the interests of Australia, a rule of force must be resisted. That was the one theme common to the speeches from all sides of politics.

The people of Australia had entered the war unitedly but there was still the question of what part Australia would play in the war. For years past, a distinction had been made between the decision to enter war and the decision regarding the nature and extent of a Dominion's participation, and in September 1939 this distinction was maintained as giving practical and effective meaning to Australian nationhood and Dominion autonomy. The declaration of war might be taken to have implied a decision by Australia to take an effective part in it. The Prime Minister had expressed the nation's determination to win the war. But there were attendant questions for Australia to decide, and everyone agreed that Australia alone must decide them. What naval, military and air forces were to be raised and where would they fight? In what other ways could Australia best help to gain victory?

Such questions could not be decided by declarations but only through day-by-day decisions resting on exact appreciation of the nature and course of the war itself and a clear assessment of Australian interests and how they could best be served. Here the shades of difference in the emphasis placed by various sections of opinion on the various reasons for entering war began to have an effect. There had been unity in declaring war; there was still room for difference regarding the conduct of war and the manner of Australian participation in it.

Australia wakened slowly. The outbreak of war did not bring an immediate threat to the safety of the people living in Australia. For more than five months it was difficult to see what sort of a war it was going to be or how it was likely to affect them. Hostilities started ten thousand miles away in Eastern Europe, and in less than five weeks Warsaw had surrendered, the Soviet Union and Germany had cut up Poland between themselves, and Hitler had put forward a peace plan. A British Expeditionary Force had begun to move into France but the main warlike activity between Germany and the Allies was at sea, the main threat was that of German raiders. After peace talks in November had passed out of the news, the public began to form a picture of war in which Germany was pinned down by Allied land strength in Western Europe while the decisive gains or losses were being made and suffered in attacks on ocean commerce. From November to March the Russian invasion of Finland and the question whether or not the Allies should go to Finland's aid further puzzled and divided the public.

Clearly the first care of a nation on entering a war was to make certain that home defence measures were adequate to meet any probable threat. But after the first fortnight of war it was difficult for either the Government or its critics to find clear evidence that any immediate threat existed. For the moment Japan showed no hostile intention and the British Navy and Singapore were still accounted a considerable force. The activities of German raiders did not endanger the Australian coasts but struck mostly at Atlantic trade routes. It may be true to say that wars can only be won by fighting but during this "twilight war", as Churchill has called it, Australia could not see where to fight.

There were also differences of opinion in the country regarding the most effective action to be taken by Australia in war but it is an oversimplification to present these differences, as some writers have done, as a direct antithesis between an "imperialist" view that favoured the sending of forces overseas to the aid of the mother country and a "nationalist" view that favoured concentration on the defence of the Australian continent. The diverse factors which shaped the Australian war effort can only be seen exactly by tracing more patiently the decisions taken month by month, remembering always that those decisions were made in response to a changing war situation.

The first series of decisions, which were completed by the end of March 1940, meant in effect that Australia would make her main contribution by sending land, sea and air forces to serve overseas with British forces but that Australia would also play an important role as a source of supply and therefore her contribution of fighting men would be less than the maximum.

These decisions were reached slowly. In his broadcast on the evening of 3rd September the Prime Minister had stressed the importance of supplies, foodstuffs and money, as well as of the fighting services and had said that Britain would be best assisted if Australia kept production going. Reviewing the situation a fortnight later, he found the outlook one of the

greatest gravity but confessed that so extraordinary had been the shifts and changes of the last few weeks that no Australian Government with any sense of responsibility could pledge itself very much in advance as to what part it might be desirable or possible for Australia to play in the war. He repeated an earlier statement: "We aim at making the best use of our resources in the most effective place and in the most effective way".[3]

After two months of war, during which there had been a considerable though not spectacular achievement in respect of the strengthening of the services, the organising of the national economy, the development of war-time administration and the working out of internal controls, Menzies could still speak only in general terms of the basic principles of the war effort. The first principle was to take every necessary and practicable measure for the protection of the Commonwealth and its territories, and the second was to cooperate to the fullest extent with Great Britain and to be prepared to use the whole of Australian resources in the successful prosecution of the war.

It was not until 6th March 1940 that the Prime Minister was able to announce in a further broadcast to the nation that the War Cabinet had completed a comprehensive review of all the factors which bore upon a decision as to how much Australia should do and how and when and where it should be done. Among these considerations he mentioned the international position, the local defences of Australia, the resources of manpower and of overseas credit, the complex problem of equipment and supply generally and the methods of financing the struggle. In the light of that review a clear programme of a war effort had been drawn up involving the despatch of troops for service abroad as well as the raising of troops for home defence, the meeting of the manpower needs of industry, particularly for munitions, and the raising of finance on a scale much greater than the experience of the 1914-18 war.

The way in which these decisions were reached and the reasons why they were reached slowly will be examined in the remainder of this chapter, commencing with an account of the political circumstances and events of the time. In the tracing of these events the dominating theme is uncertainty: uncertainty how the war will develop; uncertainty about the outlook in the Far East; uncertainty what Australian action will be most effective; uncertainty of the course of Australian domestic politics; but, amid so much uncertainty, appears more definitely a common belief that war against totalitarianism could be fought while keeping one's own democratic practices in a high state of polish, together with an illusion that the fervent but unorganised patriotism of a freedom-loving people was sure to withstand the total war effort of a regimented nation.

2—PARLIAMENT MEETS

Three days after the issuing of the proclamation declaring the existence of a state of war in Australia, the Federal Parliament, which had been in

[3] *Commonwealth Debates*, Vol 161, p. 683, 19 Sep 1939.

recess since its adjournment on 16th June, met pursuant to a notification from the Speaker dated 4th August. The Prime Minister informed the House of the action taken and laid on the table a White Paper containing documents exchanged between the United Kingdom and German Governments. After reviewing the course of events, leading to the conclusion that it was Germany who had forced war in Europe, he asked for the support of the House, both Government and Opposition, in the carrying out of Australia's responsibilities in the war.[4]

The debate on the motion to print the paper was opened immediately by the Leader of the Opposition who read the following declaration which had been drawn up and accepted unanimously by the Labour Party at its first meeting after the declaration of war:

> The Australian Labour Party affirms its traditional horror of war, and its belief that international disputes should be settled by arbitration.
>
> It deplores the fact that force, instead of negotiation and discussion, has plunged the peoples into war. It believes that resistance to force and armed aggression is inevitable if attacks on free and independent people are to be averted.
>
> In this crisis, facing the reality of war, the Labour Party stands for its platform. That platform is clear. We stand for the maintenance of Australia as an integral part of the British Commonwealth of Nations. Therefore, the party will do all that is possible to safeguard Australia, and, at the same time, having regard to its platform, will do its utmost to maintain the integrity of the British Commonwealth.
>
> As to the conduct of Australian affairs during this unhappy period, the Australian Labour Party will preserve its separate entity. It will give support to measures having for their object the welfare and safety of the Australian people and the British Commonwealth of Nations.
>
> We take the view that these measures should include the immediate control by the Commonwealth Government of all essential raw materials, and the resumption by the Government of the factories associated with the production of munitions and war equipment.
>
> There must be rigid control of commodity prices and house rents, so that war profiteering will become impossible. Interest rates must be kept within bounds, and the monetary system readjusted so that the National Debt be kept as low as possible.
>
> The democratic rights of the people must be safeguarded to the maximum. The very minimum of interference with the civic liberties of the people should be the objective of the Government in carrying through its measures for national security.
>
> To ensure that this be done, it is essential that the Parliament of the Commonwealth should remain in session.

On the following day the Minister for Defence, Street, made a statement in general terms on the defence measures that had been taken, both before and after the declaration, in order to ensure the safety of the nation, and the Leader of the Opposition asked that such statements might be made regularly and accompanied by the moving of a resolution so as to permit debate.

From this and other references it would appear that the thought taking shape in the minds of the Opposition was that, although the existence of a state of war had been accepted as a fact with which, in the circumstances, Parliament had been unable to deal, the nature and extent of Australian participation in the war should be determined or approved

[4] *Commonwealth Debates*, Vol 161, pp. 28 et seq. *Commonwealth Parliamentary Papers*, 1937-38-39, No. 173.

from time to time by the Commonwealth Parliament. The party's request that Parliament should remain in session was in keeping with such a view. The party declaration had also made it clear that in Parliament all proposed war measures would be narrowly scrutinised to see that they strictly conformed to the Opposition's view of a democracy at war.

Parliament sat from the 6th to the 22nd and the Government secured the passage of the Budget and supporting legislation and of a *National Security Act* and *Trading With the Enemy Act.* It sat again from 15th November to 8th December and, without further sittings, was prorogued on 14th March 1940. The second session commenced on 17th April.

The questions with which Parliament showed chief concern during the September sittings were the training and organisation of military forces, the maintenance of democratic practices and liberties and the financing of the war effort, with its attendant problems of control over prices and interest rates and the mobilisation of the country's economic resources. These three groups of subjects, together with the general question of setting up the administrative organisation for war, were also the matters which chiefly engaged the attention of the Government during the early months of the war both inside and out of Parliament.

The strength of parties in the House of Representatives was: United Australia Party 26, United Country Party 17 and Labour 31. The onset of war would appear to have strengthened the cohesion of the United Australia Party and to have lessened any likelihood that the Country Party would take sides against the Menzies Ministry. Indeed its support could now be expected on the positive ground of assistance to the war effort rather than on the negative ground of opposition to Labour. Nevertheless the position of Menzies was still uncertain enough to make it politically necessary for him to take exceptional care to please his supporters and not offend his opponents.

On the Labour side the situation of Curtin was scarcely less difficult. The pre-war differences of viewpoint had not yet been wholly overcome and Curtin, perhaps better than most men in the party, was able to appreciate from his experience of 1914-18 the conflict of loyalties that might arise and disastrously split the party in wartime. His unifying work as leader had progressed but was not complete and the triennial elections to the Federal Parliament were due in twelve months' time. The periodical electoral swing and the pre-war discomforts of the Government gave Labour a reasonable expectation of winning the election, but two points were plain to any leader. To win a wartime election the party must gain the confidence of the electorate that it could lead the country in war. If it won the election it would in fact have to provide a wartime government. Yet within the party there were still big differences of opinion about the waging of the war. Any ambitions that Labour had to govern made it necessary for Curtin to hold his party together and walk circumspectly. It was also in the interests of a national war effort that Curtin's capacity to achieve that task should not be imperilled.

Some politicians, however, saw the main path towards a national war effort through a national government, but there is no evidence to show that this was practicable. The official declaration of the Labour Party drawn up by Caucus and read to Parliament by Curtin had asserted that the Australian Labour Party would preserve its separate entity and Curtin added: "The suggestion that there should be a government composed of all parties in this Parliament appears to me to be one which, if carried out, would not be in the best interests of either the Parliament, the Government, or the people of Australia". Curtin went on to speak, as he had spoken after the death of Lyons, of the functions and duties of the Opposition in the Australian democracy in examining Government proposals, representing one half of the electorate and playing watchdog for public interest and the free institutions of the country at a time when urgency might lead to some disregard to both.

It is arguable whether it was necessary for a party to remain in Opposition to perform any of these functions but the plain fact plainly stated was that the Labour Party did not wish to enter an all-party national government and, whatever may have been the reasons advanced for and against such an arrangement, it would appear in retrospect to have been futile and unwise to try to press beyond that fact. If achieved at the outset of the war, a national government would certainly have created a new opposition more bitter and critical than the Opposition led by Curtin.

3—THE FIGHTING SERVICES

The first of the three main questions to be faced was the raising, training and organisation of the Australian armed forces. What forces were to be raised and where were they to be used? On the one hand there was a responsibility for the security of the Australian continent, and on the other the need or opportunity for assisting the war effort of the British Commonwealth. Any decision would have to take into account the Labour Party's opposition to conscription and to expeditionary forces.[5]

The first decision made by the Government was to call up the whole of the militia, which was raised under the *Defence Act* and could serve only within Australia. The militiamen were called up in successive drafts of about 10,000 men, to serve for sixteen days each for training at their war stations and for the protection of vulnerable points. Wage earners and business men who had been giving up spare evenings for years to go to the drill hall or had trained on the rifle range or in camp while their neighbours enjoyed less exciting games, put on their uniforms in scores of suburban homes and caught trains and buses to the war. Peacetime volunteers of the nation sloped arms with a new seriousness and pride for they were one small section of the general populace who knew what to do and where to go.

[5] The declared objectives of the Australian Labour Party included the amendment of the *Defence Act* to secure the "deletion of all clauses relating to compulsory training and service" and "no raising of forces for service outside the Commonwealth, or participation or promise of participation in any future overseas war, except by decision of the people". (*Australian Labour Party Official Report of Proceedings of the 15th Commonwealth Conference held at Canberra on 1 May 1939*, p. 7, Clauses 24(a) and (c).)

During August it had been decided that a special militia force of 14,000 should be raised to be available for immediate service in an emergency, pending the mobilisation and concentration of the entire militia, but before this action was taken and before the first militia draft had completed its sixteen days' training, the Government decided that the whole of the militia should be called up, in two equal drafts of 40,000 men for a month's training; that the militia units and detachments already called up as guards and as fortress defence troops should be released to join in this training and should be replaced by the reserve of old A.I.F. men of the 1914-18 war; and that a special infantry division of 20,000 men—the Second A.I.F.—should be enlisted for service at home or abroad as circumstances might permit or require.

These decisions were publicly announced on 15th September and formally communicated to Parliament on 19th September by the Minister for Defence, Street. In so doing, the minister pointed out that the raising of the Second A.I.F. must not be allowed to set back the training of the militia, which would have to undertake the home defence of the Commonwealth on land. The position was different from 1914 when the whole of Australia's military effort could be concentrated on enlisting and training the A.I.F. After the first three months of the 1914-18 war about 40,000 men had been sent overseas with some little training. After the first three months of the present war it was planned that at least 100,000 men would have received one month's continuous training either in the militia or the A.I.F., while some would have received more. The minister also emphasised that the draft of 40,000 militiamen was the maximum that the existing camp resources of Australia could bear.[6]

The Government had explicitly assured Parliament that there would be no conscription for overseas service[7] and for a commencement it also relied on voluntary enlistment to fill the militia establishment of 80,000. Assurances had been given by Mr Lyons in peacetime that compulsory training, which Labour had abolished in 1929, would not be reintroduced, but in a press statement of 5th September Mr Menzies directed attention to the fact that the provisions of the *Defence Act,* which imposed upon citizens a universal obligation to serve within the Commonwealth and its territories in time of war, were now operative.[8] It was not immediately practicable to train and equip more troops than were already available in the militia, he said, but preparations would be made for an extension of forces and the Government would not hesitate to reintroduce an effective scheme of universal training and service as it became feasible to do so.

In due course, on 5th October after Parliament had adjourned, the Prime Minister announced that the Government had decided to call up the militia in two equal batches of 40,000 for a further period of three months'

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[6] *Commonwealth Debates,* Vol 161, pp. 677-678.

[7] For example, *Commonwealth Debates,* Vol 161, p. 122, 7 Sep 1939.

[8] Section 59 of the *Defence Act*: "All male inhabitants of Australia (excepting those who are exempt from service in the defence force) who have resided therein for six months and are British subjects and are between the ages of 18 and 60 years shall, in time of war, be liable to serve in the militia forces".

continuous training, commencing in January 1940, and on 20th October he announced that a first quota of universal trainees, consisting of unmarried men who would become 21 during the year ending on 30th June 1940, would be drafted for three months' compulsory service.

The strength of the militia establishment was not increased at that time but this measure of compulsion for home service was found necessary to maintain a strength of 75,000-80,000 because of anticipated vacancies, due on the one hand to enlistments by members of the militia in the A.I.F. and on the other hand to the withdrawing from the militia of men in reserved occupations or married men who had been given the option of transferring to the militia reserve. The case of this last-mentioned class was used by the Government to illustrate the inequitable effects which a voluntary system was likely to have in wartime. A volunteer militia contained in peacetime a considerable number of men—a rough estimate was 7,000 or 8,000—whose view of the responsibilities of citizenship had been shown both in their enlistment and in the provision they had made for themselves and families by such methods as purchasing homes on instalments or taking out insurance policies. Peacetime militia training could be done with little or no loss of salaries or wages, but a three months' camp on a private's pay would make it extremely difficult for them to feed their families, let alone meet their other commitments. Meanwhile younger men without family commitments could, by their own slackness, escape all obligations for defence and, indeed, benefit from civil opportunities while avoiding military duties.

There was immediate objection by the Labour Party to the reintroduction of compulsory training for home defence and, quoting the pre-war statements by the Lyons Government and ignoring the provisions of the *Defence Act* to which Menzies had referred on 5th September, the party alleged a breach of faith by the Government. "The Labour Party is irrevocably and unequivocally opposed to any departure from the voluntary system of training the men of Australia," said Curtin. He declared that compulsion had only become necessary because the Government had no confidence in its ability to "evoke the patriotism of the Australian manhood", and he added as a second reason that the Government would not pay "decent rates to the free volunteers of this nation and selects the alternative of a poorly-paid conscripted force for training . . . although it is quite ready to pay the market price for money and materials". He said that militia volunteers' rates of pay were unjust and rather than deal with the financial question the Government had substituted coercion on a section of the young men of Australia.[9]

During the September sittings the Opposition had also demonstrated its objection to compulsion in a rather curious debate on the Defence Bill (No. 2) 1939, introduced as a private member's Bill as the result of an arrangement reached between the Prime Minister and the Leader of the Opposition. The circumstances recounted to Parliament by various speakers

[9] *Federal Labour Party, Official Bulletin*, Vol 2, No. 28, 24 Oct 1939.

were that, to avoid a threatened boycott of the national register by trade unions, it had been agreed at a round table conference before the war that the Leader of the Opposition should be given an opportunity to introduce and have considered on their merits bills which would seek to alter the law to meet the views of the unions. The Defence Bill (No. 2) was the first of three such bills. One of its main clauses sought to liberalise and make more explicit the protection given to conscientious objectors and this provision was approved with the aid of more than half of the votes from the Government side. Its other main clause was intended to limit narrowly the area over which compulsory service under the *Defence Act* might operate. Although Curtin introduced the Bill, the second reading speech was left to Ward, who argued that when Section 49 of the *Defence Act* said that members of the defence forces should not be required to serve "beyond the limits of the Commonwealth or those of any territory of the Commonwealth", unless they voluntarily agreed to do so, it limited the power of compulsion to "the confines of the continent of Australia". His Bill tried to put this view beyond doubt by regarding any territory outside the continent of Australia as "overseas territory". The debates indicate that the meaning he gave to "continent" was the mainland plus Tasmania and excluded New Guinea, Papua and adjacent islands.

Later in the debate Curtin explained rather than advanced the reasons behind this clause. He said that the trade unions of Australia objected to conscription. They said that the law had provided for conscription for the defence of Australia only in the event of invasion. Those territories which had been added to the Commonwealth under various arrangements since the *Defence Act* was first passed ought not to be made the subject of conscribed service. The Bill would not relieve Australia of the obligation to defend New Guinea but if it was necessary to send men overseas they should be enlisted voluntarily. The Labour Party contested the view of the Government that the *Defence Act* placed an obligation on citizens of Australia to serve in defence of the territories of the Commonwealth. The Bill would clear up "this legal point". "We say that if it is the wish of Parliament that the manpower of Australia shall be compelled to serve in overseas territories well and good. Then by rejecting the relevant portion of the Bill Parliament will have made that much clear."

Parliament did reject it in a vote on party lines.[1]

This Bill had given difficult debating ground for the Opposition. To make their argument for a narrow definition of "continent" they had to admit the possibility and the propriety of compulsion for home service. If they had succeeded in their argument they would surely have found difficulty in justifying continued opposition to expeditionary forces as such, for by their own act they would have made it necessary either to abandon New Guinea, which was only eighty miles from the Australian coast and the home of Australian settlers, or to send a volunteer expeditionary force to defend it.

[1] *Commonwealth Debates*, Vol 161, pp. 822, 845 and 917 et seq.

The Labour objection to expeditionary forces rose less acutely than some pre-war statements might have led the Government to fear. In his first statement on defence on 5th September the Prime Minister appeared to indicate that an expeditionary force was not contemplated as one of the first military measures. The most urgent problem, he said, was one of training and it was not immediately practicable to train and equip more troops than were available already in the militia. The first and most imperative need was to make as effective as possible for the defence of Australia the substantial militia forces. Ten days later, when announcing on 15th September the decision to form an A.I.F. division to be named the 6th Division, he still did not put directly the question of an expeditionary force. At that time the prime necessity, he said, was to ensure the defence of Australia itself, although the Australian forces might in some circumstances be used abroad—perhaps to garrison Pacific Islands, to cooperate with New Zealand, to relieve British troops at Singapore, or even to go to Europe.

During the September sittings the Opposition reiterated its objection to sending forces overseas. The general question of expeditionary forces, however, was rapidly moving beyond controversy. Though some might object to expeditionary forces on principle or because they saw danger nearer to home, and though others might doubt whether an expeditionary force was the most effective contribution that Australia could make, a large body of opinion saw Australian participation in the war almost wholly in terms of raising troops to fight at Britain's side. For those who joined it and for many others, the A.I.F. was more than a wartime defence measure. It was a symbol in which a whole tradition of military prowess and dedicated patriotism was enshrined. Before Parliament met again the Prime Minister shifted the emphasis of his earlier statements by saying on 1st November that the Second A.I.F. would, when trained, be sent abroad unless circumstances rendered that course impracticable.

Already more definite statements had been made regarding overseas service by Australian airmen. It was stated without qualification on 20th September that an Air Expeditionary Force of six squadrons would be offered to the United Kingdom Government for service overseas and on 9th October it was announced that recruiting would commence forthwith for a total strength of 3,200 men. During the course of the month this project was abandoned in favour of manning a squadron of Sunderland flying boats in Britain and making a maximum contribution to the Empire Air Training Scheme.

The Empire Air Training Scheme, announced simultaneously in the United Kingdom and the participating Dominions on 11th October, was a plan for the cooperative training of air pilots and other aircraft personnel from the United Kingdom, Canada, Australia and New Zealand. Except that it would require Australia to train and maintain thousands of skilled flying personnel as a contribution to the manning of a "vast Air Armada", the details of what it involved for Australia could not be definitely stated

until after the Minister for Civil Aviation, Fairbairn, had returned from a conference being held in Canada to work out details of the scheme.

By decisions taken in October and put into effect in November the Australian cruisers *Perth* and *Hobart* and five destroyers were placed at the disposal of the United Kingdom Government, but control of other ships of the Royal Australian Navy was reserved.[2]

When Parliament resumed in November, the Leader of the Opposition attacked the Government both on the question of compulsion and expeditionary forces but did so rather mildly, as compared with earlier declarations of Labour policy. An expeditionary force he thought unwise because the maximum manpower in naval, military and air forces was needed in Australia to ensure Australia's own safety. Compulsory training for home defence was not necessary because, he declared, the Government had failed to use all the volunteers offering and had not offered reasonable pay.[3]

Questions relating to the organisation and training of the military forces tended in the ensuing months to become less and less an occasion of fundamental political difference. Once the A.I.F. was overseas it was so much in the hearts and minds of Australian people, and so much a matter of national pride, that few Australians would raise objection to the policy that underlay its existence, although a few Labour die-hards continued to maintain the traditional objections to overseas service and a section of the industrial unions, mainly in New South Wales, and the Communist newspapers, continued to exclaim against "participation in any overseas imperialist conflict".[4]

For a time the objections to an expeditionary force had been influential within the Labour Party, although never unanimous. The strength and nature of the objections can be judged from the statement of Mr Fallon, Federal president of the Australian Labour Party throughout the war, who wrote on 25th September earnestly urging all good Australians to remain in Australia and concluding: "Every man who leaves Australia to fight in Europe increases our national debt, reduces our capacity to defend Australia against possible foreign aggression, and also our capacity to supply Great Britain with material and goods which she needs and which are essential to her success against the curse of Hitlerism".[5]

But the Labour opposition to an expeditionary force was against the weight of Australian sentiment and the majority of Labour soon realised it.

At the end of February 1940, when it was announced that Australia's part in the Empire Air Scheme, under an agreement signed in Ottawa on

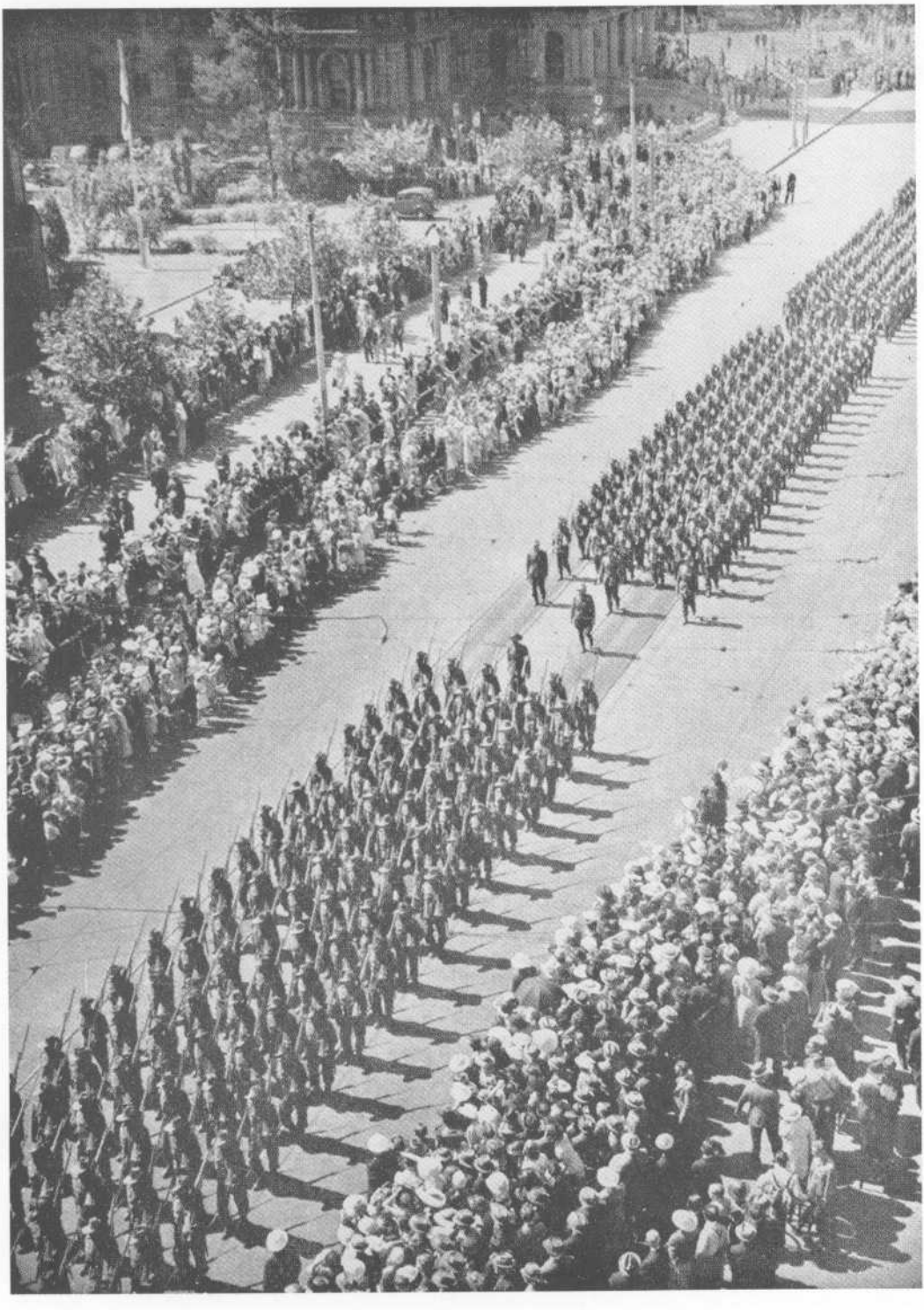
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[2] See G. Hermon Gill, *Royal Australian Navy* 1939-42, Chapter 4.

[3] *Commonwealth Debates,* Vol 162, p. 1194.

[4] For example of the first: Frank Brennan, M.P., in a letter to the *Argus* (Melbourne), 2 Jan 1940, commenting on a broadcast in which Curtin had spoken of Labour support for the Government in the prosecution of the war, recalled Labour's fundamental opposition to the Government in regard to compulsory military service and enlistment for service overseas. For example of the second: a resolution of the New South Wales State Conference of the Australian Labour Party, 24 Mar 1940, demanding that no Australian troops be permitted to leave Australia's shores. Communist interest is indicated not only in the views expressed by Communists but in the way in which the *Tribune* (Sydney) acted as a clearing house for any resolution on the subject adopted by any Labour meeting.

[5] C. G. Fallon: "How will War Affect You? A Question of Vital Importance", *Worker* (Brisbane).



Sydney Morning Herald

The First Contingent. Five days before embarkation New South Wales units of the 6th Division marched through Sydney. Here the 2/4th Battalion passes the Town Hall.



Herald (Melbourne)

Farewell march in Melbourne. On 24th January a crowd estimated at 500,000 greeted the march of the 17th Brigade led by Brigadier S. G. Savige. The troops formed part of the contingent which sailed in April 1940.



Daily Telegraph (Sydney)

At the Anzac Buffet, Hyde Park, Sydney, January 1940. Formerly a kiosk and public restaurant, the buildings were secured rent-free from the City Council, and under a council which included the Lord Mayor's Patriotic Fund, became the nucleus of a large amenities centre.

17th December, would be to recruit 57,473 men in the course of three years, to be trained in Australia and Canada and eventually to serve in the Royal Air Force, there was no political issue but chiefly satisfaction to learn that care had been taken to ensure that they would wear Australian uniforms and be grouped into squadrons identified with Australia.

Similarly the decision announced on 6th March 1940, to recruit another division of the A.I.F. (the 7th Division) for service abroad and to raise additional troops and reinforcements to maintain the two divisions as an army corps was well received and not contested. In the Corio by-election of February 1940 Mr Curtin declared that Labour, if in power, would reinforce the Second A.I.F., the first contingent of which had by that time gone overseas.

Official Labour objection to compulsory service lingered far longer. The question of conscription for overseas service did not arise, for once again on 27th October the Prime Minister stated categorically: "There will be no conscription for service outside Australia and its territories so far as my Government is concerned". Although a few purists of freedom consistently opposed compulsion of the individual in any form, the objections to compulsory service for home defence seem to have been rooted in fear of inequality of sacrifice. Why should men be compelled to give their bodies and perhaps their lives while others were not compelled to give their property? The objection to compulsory service was linked both with the question of pay and the question of wartime profits. As necessity made greater and greater demands on national resources in all their forms and a sort of rough equality of sacrifice was imposed, the objection to compulsory service tended to become less, and eventually, under a Labour Government, in a time of great peril, compulsion of the citizen extended further than could have been imagined possible before the war.

Quite early in the war, as the two questions of principle were submerged, political interest in the military forces tended to become more and more concerned with grievances, complaints, and criticisms of method. Inadequate provision for training, lack of equipment, camp conditions, rates of pay were in the front of politics from November onwards, while overseas service and compulsion gradually went into the background. Nevertheless, at the outset, any decisions on Australian military participation in the war were taken with due regard for possible political repercussions. Hence the decisions were taken slowly.

The Government had decided to raise the Second A.I.F. without knowing exactly where it would be used. There was some difficulty in settling that question because of uncertainty as to how the war would develop. It was not known what action Italy would take and there was also considered to be a possibility that the Soviet Union might become an enemy, either by individual adventures of its own, comparable to its invasion of Finland, or in alliance with Germany. Cabled reports received on 5th and 6th November from the Minister for Supply and Development, Mr Casey, who had been sent to London at the invitation of the United

Kingdom to confer on matters relating to the conduct of the war, referred to the interest of the British Chiefs of Staff in the employment of the Second A.I.F. in the northern hemisphere. The position, as they saw it and as Casey reported back to Australia, was that Germany greatly outnumbered both Britain and France in the total number of divisions it had at its disposal since the overrunning of Poland, and France was pressing strongly for additions to British forces in France. Because of this comparative weakness, the delay of a German attack on the Western front had been welcomed and it was hoped that, if no attack transpired during November, there might be no land operations of any consequence against the Allies until the following April. Casey said that in Britain it was regarded as absolutely essential that Germany should not break through the line in France as that would "be regarded as a calamity and would enable the Germans to employ the same tactics as in Poland". In reply to questions how soon an Australian division would be "on this side of the world" Casey had pointed out that it depended on the Japanese situation and on the British plans for the reinforcing of Singapore by an adequate force of capital ships. Consequently the United Kingdom Government agreed to seek an up-to-date appreciation from Tokyo, China and Washington regarding the outlook in the Far East and were also considering their position at Singapore. So far as the British Chiefs of Staff were concerned, their appreciation of the situation was that immediate danger to Australia and New Zealand was remote and that, even if Japan became aggressive, she would direct her efforts against Allied interests on the Chinese mainland. The tentative suggestion by the British Chiefs of Staff was that the Australian division be sent as soon as possible to Egypt or Palestine for training, thus relieving the British divisions there, and that, as soon as Australia was able to do so, a second division should also be sent to the Middle East making an Australian Corps. Britain would provide equipment such as Bren guns and anti-tank guns which could not be supplied from Australia, but desired that the division should bring artillery equipment. It was considered that the value of an Australian division in the Middle East would be not only in the added strength it gave but in the moral effect of this demonstration of Allied unity and determination.

A supporting telegram addressed to the Chief of the General Staff from Major-General Northcott,[6] who was accompanying Mr Casey, added: "The Middle East and India are regarded as possible danger areas if Russian aggression and propaganda developed. It is essential to build up a reserve in the Middle East to meet the possible contingencies". He put the numerical superiority of the German army on the Western front as possibly two to one against the Allies.

With these reports before it, the Defence Committee recommended on 13th November that the 6th Division be sent overseas to complete its

[6] Lt-Gen Sir John Northcott, KCMG, KCVO, CB. (1st AIF: 12 Bn.) Dep CGS AMF 1939-41; GOC 1 Armd Div 1941-42; CGS 1942-45; C-in-C BCOF Japan 1945-46; Governor of NSW since 1946. Regular soldier; b. Creswick, Vic, 24 Mar 1890.

training in Egypt or Palestine and that a second division be despatched overseas as soon as it could be raised and organised, to complete an Australian Corps of two divisions. Subject to shipping being available it was suggested that the 6th Division should be embarked in December and January.[7]

These recommendations were submitted to the War Cabinet[8] but, after devoting two meetings solely to this subject on 15th and 16th November, the War Cabinet remitted it to the Full Cabinet. The Chiefs of Staff were stressing the need for an early decision in order that they might make the necessary arrangements should it be decided to send a force overseas and, to meet these reasonable organisational requirements, the Full Cabinet decided in the first instance on 20th November that, "without any decision either direct or indirect on the part of the Government to send the 6th Division overseas, the Minister for the Army was empowered to instruct the Chief of the General Staff to make preliminary investigations concerning action and planning that would be involved if the 6th Division were to be sent overseas".[9] A week later, on 28th November, the Full Cabinet decided that the 6th Division could be permitted to proceed overseas when it had reached a suitable stage in its training, which, it was anticipated, would be early in the new year. The Government was averse, however, to the shipment of artillery or any other material needed for the maintenance of the militia forces unless such material could be rapidly replaced. The Cabinet also rejected the recommendation of the Chiefs of Staff that an army cooperation squadron should be despatched with the A.I.F., their reason being the need for strengthening the R.A.A.F. for both defence and training.[1]

Some of the reasons why the Government had been so cautious in reaching a decision to send the A.I.F. overseas appear in telegrams exchanged during November between the New Zealand and Australian Prime Ministers. On 21st November, the day after New Zealand had informed Great Britain of the decision to send a New Zealand expeditionary force to the Middle East, but before any public announcement had been made, Menzies sent a message to the Prime Minister of New Zealand referring to the difficulties of sending troops out of Australia. First, there was still uncertainty about Japan and about what would happen if Germany invaded Holland and the Netherlands Indies were cut off from the mother country. Second, Australian public opinion was that the despatch of troops abroad could not be very urgent as land warfare in Europe was not yet critical. Third, while Australia could not obtain even a fraction of the shipping needed for export commodities, the Government was puzzled to find that there would be no difficulty in securing ships and a naval convoy for a military force. Therefore the Australian Government wanted to watch developments for three or four weeks.

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[7] Defence Committee Minute 103/1939.

[8] War Cabinet Agendum 34/1939.

[9] Full Cabinet Minute 8, in War Cabinet Series.

[1] Full Cabinet Minute 10, in War Cabinet Series, 28 Nov.

In reply, on 22nd November, the New Zealand Prime Minister informed Menzies of the New Zealand decision, which was still secret, and expounded New Zealand views. The New Zealand decision was announced on the 23rd. On 28th November Menzies informed the New Zealand Prime Minister of the decision reached by the Australian War Cabinet on that day and regretted that, in view of the pre-war agreement between the two Governments to exchange decisions on defence policy, consultation had not been possible before the New Zealand Government reached its decision. The Australian decision to hold back the 6th Division until it had reached a suitable stage in its training was explained as due to the view that "further clarification of the situation in regard to Holland and possible repercussions on the Netherlands East Indies" was necessary.

In this exchange of messages Menzies had expressed a wish to keep in step with New Zealand and had said that the closest coordination between Australian and New Zealand policies was essential. It might, therefore, be assumed that the prior decision by the New Zealand Government regarding their own expeditionary force became one of the factors taken into account by the Australian Government in making its qualified decision of 28th November.[2]

After a further exchange of cables with London, 9th January was approved as the date of the departure of the first convoy.[3] Before the departure of the 6th Division, Casey had returned to Australia and members of the War Cabinet had received a memorandum prepared by him giving an appreciation of the war situation, based on the information he had been given in the United Kingdom.

In his memorandum, which was distributed to the War Cabinet on 4th January 1940,[4] Casey said that the hesitating attitude of Germany in the west was thought to have been due to Hitler's belief that Britain and France would not fight. Hence, although the Polish campaign had been carefully planned by Germany, a campaign in the west had not been thought out and, when the Allies declared war, Hitler's economic, military and political advisers were at odds with one another. Although the Dutch and Belgians were "frightened and bewildered", it was believed that Belgium would join the Allies if either Britain or Holland were invaded, and Britain and France would then take up an advanced line in Belgium. The machinery for coordination between the Allies was more complete now than at the end of the 1914-18 war, with a Supreme War Council, a permanent Anglo-French Military Liaison Committee, an Economic Liaison Committee, and joint purchasing organisations.

Discussing the state of the Western front, to which he had paid a visit, Casey said that, so far as any line of defence could be said to be impregnable, the French Maginot Line from Switzerland to Luxembourg was believed to be impregnable, but he was "much disturbed" by the lack

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[2] *Documents Relating to New Zealand's Participation in the Second World War 1939-45* (War History Branch, Wellington, 1949), Volume 1, pp. 42-50 and pp. 338-340.

[3] War Cabinet Minute 86 and Cablegram C.55 from Casey to the Prime Minister.

[4] War Cabinet Agendum 5/1940.

of adequate concrete defences on the British front and by the inadequacy of the steps taken to improve the position. "On my return to London," he continued, "I felt obliged to report to Mr Chamberlain that I believed that vastly improved and mechanised methods would have to be adopted if the British front were to be ready against a possible spring offensive. The matter was brought before the War Cabinet and General Ironside went to France to investigate. There was considerable bother about the matter, but, as a result, work on the defences is being considerably speeded up, a great deal more labour is being made available in France, and large contracts entered into for cement and stone."

Orally, Mr Casey told his colleagues about the "self satisfaction" of the British Minister for the Army, whom he had seen before he approached Chamberlain, and about the plain statement he had made to Chamberlain that with the line in such a state, he was bound to report to the Australian Cabinet against allowing any Australian troops to be placed in such a hopeless position.

Continuing his memorandum, Casey referred to the intensity of German propagandist warfare and also explained measures of economic warfare which were being adopted against Germany. He had been surprised to find a number of people in high places in London who, basing their view on Germany's lack of vital commodities, talked of the possibility of the war being over in from nine to fifteen months.

After a review of the international situation, he discussed the prospects as they were seen from London. It was not at all impossible that after the campaign in Finland had been cleaned up, Russia and Germany might join to carry the war into Scandinavia or into south-eastern Europe, or possibly into both of them. Britain had guaranteed Rumania against aggression by Germany but not against aggression by Russia and had also guaranteed Greece and had an arrangement with Turkey. It was not known, however, whether Rumania would resist aggression and, in any case, it would be difficult for the Allies to give assistance in the Balkans. "The opinion is held in London," he continued, "that the Russian forces are low in efficiency and badly led. However, even if this is true, it by no means enables them to be discounted as an enemy. If the Allies have to go to war with Russia and any new front or fronts develop, then some tens of Allied divisions would have to be diverted to hold them." Italy was the key to the Balkan position and, practically speaking, no price was too high to stop Italy going in against the Allies or, better still, to have Italy on the side of the Allies. It was difficult, however, to get France to see the value of Italy to the Allied cause. Casey himself expressed the opinion that much would depend on British and French success against Germany. If Germany looked like winning Italy "would fly to the help of the victor".

Although as has been indicated, it was considered possible that Russia would become the enemy of Britain either in Scandinavia, south-eastern Europe or in the Middle East, Casey also reported on the possibility of a clash between Germany and Russia, noting in particular the possibility of a Russian advance into Sweden which would affect the vital interest

of Germany in Swedish ore deposits, the fact that the Germans and Russians, after having divided Poland between them, were now developing defensive works against each other and the reports that, in spite of their alliance, they were "not happy together". He reported, too, that he had heard some responsible men, though certainly not the most responsible, say that the Allies would gain by declaring war on Russia inasmuch as they would end the uncertainty, lessen Russia's ability to supply Germany, and even open a prospect of making an ally of Japan. "However, I do not think it probable that Britain will seek by her own action to add to her enemies," commented Casey. He expressed the opinion that the complete uncertainty as to what Russia would do was the factor that made for what might be interpreted as hesitancy on the part of the Allies.

Discussing the Allied war plans, he said that the opinion was held in London that Germany would probably resort to "crash tactics" against Britain in the early spring and at the same time attempt to cripple Britain's war effort by attacking vital industrial and military targets in Britain. Yet it was still far from certain that Germany would attack by land on the Western front at all. As Casey saw it, the function of the Allied land forces was a defensive one and they would not be used to attack the German lines. The function of the naval forces would be to contain the enemy fleet, to keep the seas open for Britain and to blockade Germany. New fronts might develop through enemy initiative. Time was on the side of the Allies. He had heard criticism that there was no positive action or forward thinking in the British War Cabinet, but he had never heard from any of the critics any proposals for Allied action that sounded feasible and attractive.

In addition to this report from one of its own members, War Cabinet also received in the middle of February, in response to its own request, an appreciation by the United Kingdom Chiefs of Staff on the position in the Middle East, where it was then considered that the A.I.F. would be employed.[5] This appreciation defined the principal British strategic interests in the Middle East as (1) the sea route through the Mediterranean, Suez Canal and Red Sea, (2) Anglo-Iranian oil field, (3) the security of the north-west frontier of India, and (4) treaty commitments to Turkey and Iraq. Germany had the initiative and might advance into the Balkans. Italy might join Germany. Russia might advance either alone or in conjunction with Germany into Rumania and farther southward. Russia might also stir up trouble and perhaps advance into Iraq, Iran or Afghanistan. The British must be ready to counter the enemy's initiative whatever form it took. "Our reserve must be kept fluid," the appreciation continued, "and our further preparations in the Middle East are therefore at present confined to administrative developments on a scale sufficient to maintain the forces likely to be required." In the meantime the Middle East could be used as a training ground. When the Australians were fit to take the field, if the situation should require it, they would be

[5] War Cabinet Minutes 132 and 201 and War Cabinet Agendum 55/1940.

used in the Middle East. If the situation did not require it, the United Kingdom Chiefs of Staff would wish to see them complete their equipment in France or the United Kingdom with a view to their employment in France. The United Kingdom Chiefs of Staff were able to give an anticipated rate of the production of modern weapons and equipment for the 6th Division.

In forwarding this appreciation, the Australian High Commissioner in London, Bruce, added the information gained by himself in conversations in London that Italian intervention or a Russian move was for the present considered unlikely.

This was the situation when the 6th Division began to move to the Middle East.

Meanwhile, although restricted by the uncertainty how the war would develop, the Government was proceeding with organisation of a national war effort. Besides being concerned between September 1939 and February 1940 with questions relating to the raising and the training of the Second A.I.F. and its despatch overseas, the War Cabinet was also giving attention to the major problems of general naval and air cooperation with the United Kingdom, including participation in the Empire Air Training Scheme; the organisation of the militia; and a diversity of problems related to the expansion of the munitions organisation, military supplies and the obtaining of aircraft. It also gave attention to major administrative problems such as the problem of control over defence expenditure and coordination between various departments and instrumentalities.

The armed services had been made the first charge on the national war effort. An extensive list of reserved occupations had been applied with the intention of keeping back large numbers of men who might prove more useful to the nation in their normal civilian duties than in the field but, at the same time, within six months of the outbreak of war, the Government had undertaken to organise, recruit and train roughly a quarter of a million men in various categories and to provide a substantial part of their equipment for the armed services.

The decision early in March to raise the 7th Division and to form an Australian Army Corps involved a total commitment to raise and train an expeditionary force of 90,000 men by June 1941, including those already enlisted in the A.I.F. The Empire Air Training Scheme would require 57,473 men up to March 1943. By the end of February 1940, the air force, apart from the Empire scheme, had been raised from a pre-war establishment of 2,800 to 5,400 and the navy from 5,440 to 11,600. A railway survey company, three railway construction companies and two forestry companies totalling 40 officers and 1,203 other ranks were to be sent abroad. In addition, for the purposes of home defence training and garrison duties within Australia, 4,000 permanent soldiers, 3,000 militia permanently called up and 5,000 garrison units were being maintained. Half the militia, which, following the transfer of 13,720 to the militia reserve was now at a strength of 62,300, had completed the period of three months' continuous

camp training and the second half was about to begin. On the completion of this training the militia was to revert to the pre-war system of twelve days' camp training supplemented by home training, but, in addition to the voluntarily-enlisted militiamen, over 20,000 universal trainees called up under the *Defence Act* in January 1940 and now dubbed national service personnel were being trained concurrently with the militia for eleven weeks in camp and a further quota of over 45,000 in the 20-21 age group had been registered for camp training in the coming year.

Thus, in broad terms, the war effort was already taking the discernible shape of at least 177,000 men devoted wholly to the armed services and another 75,000 men kept partly-trained for home defence. For the sake of comparison of the extent of this diversion of manpower it may be mentioned that at the end of March 1940 the total number of employees in the factories and other activities of the Department of Supply and Development, which included munitions supply, was 10,814, compared with 6,534 in August 1939 plus about 2,200 in armament annexes established in industrial works and State workshops.

4—DEMOCRATIC RIGHTS AND LIBERTIES

The second of the main groups of subjects engaging the attention of Parliament during its earliest wartime sittings was the preservation of democratic rights and liberties. There would appear to have been no difference of opinion about the broad objectives. The sentiments of Mr Menzies were acknowledged to be impeccable. "However long this conflict may last I do not seek a muzzled Opposition," he said in his statement on 6th September on the outbreak of war. "Our institutions of Parliament, and of liberal thought, free speech and free criticism must go on."[6] Moving the second reading of the National Security Bill on the following day, he continued on the same theme:

> I want to say this for myself, and for this Government, and this Parliament also: that whatever may be the extent of the power that may be taken to govern, to direct and to control by regulation, there must be as little interference with individual rights as is consistent with concerted national effort . . . . The greatest tragedy that could overcome a country would be for it to fight a successful war in defence of liberty and lose its own liberty in the process. There is no intention on the part of the Government to use these powers when they are granted, as I am sure they will be, in any way other than to promote the security of Australia. I hope that when the time comes for me to cease to exercise the powers I shall be able to say that they were exercised firmly, definitely, and promptly, but without intolerance and with a due respect for the interests of minorities.[7]

The National Security Bill was one to give the Governor-General wide powers to make regulations for securing the public safety and defence of the Commonwealth and its territories and in respect of a great number of other matters. The Bill expressly excluded the imposition by regulation of any form of compulsory naval, military or air force service or any form

[6] *Commonwealth Debates*, Vol 161, p. 36, 6 Sep 1939.

[7] *Commonwealth Debates*, Vol 161, pp. 164-165.

of industrial conscription and of any provision for trial by court martial of persons not subject to naval, military or air force law. Otherwise the powers were as extensive as the prosecution of the war. In practice the chief safeguard against their misuse was likely to be simply the expectation that in every case the Government would ask itself: "Is this related to the safety of the country?" and apply no other test to the drafting of a regulation. It was generally accepted that in the exceptional circumstances of war exceptional powers were needed by the executive, but there was also concern lest such powers be abused and unwillingness to destroy the safeguards against arbitrary action which are characteristic of a parliamentary democracy.

The clamour of some of those, nearly all outside Parliament, who were noisiest against the Bill and, after its passage, against the National Security Regulations is unconvincing for their attack appears as an objection to the ends the Bill served rather than to its method. There was, however, a more considerable body of liberal and democratic opinion to make strong and respectable arguments against the Bill. Perhaps the speech of Blackburn,[8] Labour member for Bourke, qualified to make his protest by a lifetime of political scrupulousness and intellectual integrity in maintaining democratic liberties as he saw them, may be fitly selected as the statement of their views. "The essential distinction between what are called the totalitarian states and the representative democracies," he commenced, "is that in the former the executive power and legislative power are combined in the one hand, whereas in representative democracies the legislative and executive powers are not so concentrated . . . . The offence which a measure like this commits against the people of Australia is that it surrenders the principle of democracy for which we are supposed to be fighting and adopts our enemy's principle of totalitarianism."

While conceding that details of legislation could with advantage be delegated to the executive, he objected to the abdication of power by Parliament. Parliament was now being asked expressly in this Bill to authorise the Government to pass any laws that it liked and to disregard existing legislation. Those powers could be exercised while Parliament was closed and there was no compulsion to call Parliament together more frequently than once a year. It was useless to talk about good wishes and good intentions on the part of any minister. Similar legislation, the *War Precautions Act,* had been passed in 1914 when his own party was in power but under that Act the liberties of the people had been destroyed. There was no check from Parliament and no check from the judiciary. The High Court itself had said of regulations under the *War Precautions Act*: "We have no power to criticise or to review any regulation that the executive may make; the executive is empowered to do anything that it may think necessary or convenient for the effectual carrying on of the war. Who are we to judge as to whether or not the executive rightly thinks that this is necessary?" Blackburn continued:

[8] M. M. Blackburn. MLA Vic 1914-17, 1925-34; MHR 1934-44. Barrister; of Essendon, Vic; b. Inglewood, Vic, 19 Nov 1880. Died 31 Mar 1944.

Those who have fresh in their memory the things that were done in the years 1914 to 1918 cannot regard this legislation coolly and calmly. It will be used to deprive the people of their liberties. It has been said that we must have respect for the good intentions of the Prime Minister and other Ministers. I admire the Prime Minister and other Ministers, with whom I have a great deal of personal friendship. I believe that their present intentions are generous and liberal. But I am not prepared to vote on the assumption that they are going to have those intentions for the duration of the war. I know how war changes the opinions of people. I know the nervous tension to which the community and Ministers will be subjected and I am not prepared to accept as the last word the statement of present generous intentions.

In passing, he made particular reference to the power to prohibit a public meeting if a minister was of the opinion that it would cause a disturbance of public order or promote disaffection, and the power to order trials in closed courts, and moved towards his conclusion:

I should say that the most important thing is that the people of this country shall believe that in this struggle they are preserving as much of their freedom, as much of their constitutional rights as can possibly be preserved for them; that those rights are not being taken from them; that they are not losing those rights in the struggle which this nation is waging. It is those rights which make this country dear to them, not the fact that they live in this portion of the earth, not the fact that they are members of this little platoon, but that they live among a people who have certain traditions which they have acquired and developed through long centuries of struggle. These things are valuable and cannot be risked.[9]

The Bill was passed. In Committee, the Opposition attempted unsuccessfully, on a motion proposed by Blackburn, to remove the "dragnet power" from Clause 5 (1) leaving only the power to make regulations for public safety and defence and the matters specified; and, on a motion by Forde, to limit the term of the Act to twelve months instead of to the period of the war and six months thereafter. The Government, having accepted criticism, itself obtained amendments requiring that "orders, rules and by-laws which are of legislative and not an executive character" should be tabled in Parliament in the same way as regulations instead of merely being subject to approval or disallowance by a minister. The Government also accepted an amendment by Blackburn to enlarge the limitation against compulsory service by a reference to "the extension of any existing obligation to render compulsory naval, military or air force service". Blackburn wanted to make it clear that the Government could not, by regulation, turn the *Defence Act* obligation for service in Australia and its territories into an obligation to serve elsewhere. A time limit of ten days instead of "a reasonable time" was set on the period between the arrest of a suspect and the laying of a charge or the suspect's release from detention.

Curtin divided the House on Clause 18 which gave a regulation under the Act supremacy over other enactments—a provision which, he said, gave the Government the right to alter the laws of the country by regulation. Other speakers claimed that Parliament still had control inasmuch as regulations had to be tabled and in the end Parliament had control of the Ministry. On a party division the clause was retained.[1]

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[9] *Commonwealth Debates*, Vol 161, pp. 180-83.
[1] *Commonwealth Debates*, Vol 161, pp. 219-49.

After an all-night sitting and eleven hours' debate the Bill completed all stages in the Lower House in time for a late breakfast on 8th September. On that night the Senate was kept until the small hours and after the Bill had been declared urgent and a time limit imposed by the Government by votes of 17 to 16, it was forced through all remaining stages.[2]

Another attempt to assert the supremacy of Parliament was made by Blackburn, who introduced a private Bill to provide that, in respect of regulations made under the *Defence Act,* the *Supply and Development Act* and the *National Registration Act,* the general rule laid down by the *Acts Interpretation Act* should not apply and that any regulations made should not come into force until they had been placed before both Houses of Parliament. The Government, however, insisted on the practical necessity for regulations to come into force as soon as notified in the *Gazette* and argued that the current requirement that regulations be laid on the table of Parliament and that Parliament might disallow them by resolution should continue. The Bill was defeated on the second reading.[3]

The session ended with democratic rights still resting in the first place on the expectation that the Government would use its exceptional wartime powers in accordance with democratic principles and in the final issue on the vigilance and strength of public opinion in the electorate.

The chief responsibility fell on the members of Parliament and, at question time and on the daily adjournment as well as when speaking on particular measures, they used their opportunity freely. Parliament met frequently, though not continuously, and the exercise of National Security powers was always under the restraint of parliamentary criticism. Outside Parliament the voluntary role of watchdog was discharged principally by the Australian Council for Civil Liberties, a pre-war organisation with headquarters in Melbourne and a membership in all States, assisted by a legal panel of men eminent in their profession, and also drawing liberally on the Universities and the professions for its office bearers. Its affiliated societies included a number of trade union branches. Blackburn was president and Brian Fitzpatrick[4] an active and crusading secretary. In addition, other organised bodies, and particularly Trades and Labour Councils, were watchful for the preservation of those rights or liberties with which their members were directly concerned. The chief means of protest available to them were representations to the Ministry by deputation, letter or through a member of Parliament; pamphlets, newspapers or public meetings. In an extreme case, recourse might be had to the threat of widespread strikes if the Government did not heed the protest. Under the National Security Regulations a government undoubtedly would have been able legally to suppress any public criticism of its exercise of these powers but it would have been politically risky to do so and, with the continuance of elections in wartime, the limits set by public opinion could

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[2] *Commonwealth Debates,* Vol 161, pp. 272-311.

[3] *Commonwealth Debates,* Vol 161, pp. 830-45.

[4] B. Fitzpatrick. Research Officer University of Melbourne 1940-47. Publicist and author; of Toorak, Vic; b. Warrnambool, Vic, 17 Nov 1905.

have been and in some cases were effective limits to the exercise of absolute power.

As it proved, public opinion was most active in the early days of the war when the exceptional powers were being used least. As the danger to Australia grew, national security measures became more severe, the infringement of civil liberty and personal rights more far-reaching, but, seeing the national danger, admitting the necessity for restraint and, perhaps, too, becoming accustomed to control and forgetful of liberty, public opinion itself accepted the abridgement of liberty.

Originally, objections were urged most strongly against those regulations by which the customary rights of free speech, free criticism and public procession and assembly could be suspended.[5]

In response to representations made by Blackburn, on behalf of the Council for Civil Liberties and trade unions, the Prime Minister arranged that the powers to prohibit meetings or processions would not be delegated but would be reserved for exercise by the responsible minister alone and that the minister would call for full information before exercising the powers; and that prosecutions in respect of a contravention of the regulations in regard to publications, or attempts to cause disaffection or to influence public opinion in a manner likely to be prejudicial to the defence of the Commonwealth or the efficient prosecution of the war would not be instituted except with the consent of the Attorney-General.[6] By thus committing the responsibility for the exercise of these powers to ministers alone, the Government manifested its sense of the great care with which powers were to be used.

For the first six months of the war critics, searching assiduously for instances to support their arguments, could still only attack the existence of the powers and not their use. The chief instances of "fascism" that could be quoted by those eager to prove the Government in the wrong were actions such as that taken under the *State Traffic Act* by the Queensland police, who temporarily banned street meetings of the Communist Party on the ground that these meetings, by leading to counter-demonstrations and attacks by soldiers and anti-Communist civilians, would lead to disorder. In Brisbane, Sydney and Melbourne the Council for Civil Liberties and other organisations made representations with some success to preserve the rights of free speech for Communists as well as for any other group and to protect their speakers from molestation.

In April 1940, however, under National Security regulations prepared for the purpose, action was taken requiring five factional newspapers, two of them Communist, to submit all manuscripts to censorship before publication; and, later in the month, all Communist papers were placed under a similar order and also prohibited from publishing anything on a proscribed list of subjects. This was followed in May by a total ban on

[5] Defence (National Security-General) Regulations, Statutory Rules 1939, No. 73, 25 Aug 1939, Regulations 41, 42 and 44; and National Security (General) Regulations, Statutory Rules 1939, No. 87, 13 Sep 1939, Regulations 41, 42 and 44.

[6] *Sydney Morning Herald*, 14 Sep 1939, and Australian Council for Civil Liberties: Report on National Security Regulations 25 Sep.

the publication of nine papers. In June the Communist Party and several other small groups were declared illegal. Consequent on this action there were several prosecutions of individuals for continuing the prohibited activities, the prosecution resting in some cases on statements they were alleged to have made in public and in other cases on their possession of documents which were considered to influence opinion in a manner likely to be prejudicial to the defence of the Commonwealth, or the efficient prosecution of the war.

The action was directed specifically against the Communist Party and was intended to combat activities which had been clearly and determinedly hostile to the prosecution of the war effort. Even so the Government had hesitated long over this move "in view of the danger of infringement of the rights and privileges of innocent persons".[7]

In the meantime, a major alteration in the peacetime habit of life had been effected by the introduction of a censorship which touched every citizen whether he was loyal or subversive in intention.

In a discussion of wartime censorship it is necessary to keep in mind a distinction between communications censorship (the censorship of letters, telegrams, cablegrams and the like) and publicity censorship, which was concerned with what was published in press, radio, the cinema or other publicity mediums.

It will be recalled that the War Book provided that responsibility for all censorship should rest with Army Headquarters. A Chief Censor would be appointed under the Director of Military Operations and Intelligence and would be assisted by a Deputy Chief Censor for Communications and a Deputy Chief Censor for Publicity. The organisation would broaden out into sections for each of the various types of communications and publicity. To provide legal authority for censorship, draft regulations under the *Defence Act* were held in readiness and with the making of the Defence (National Security-General) Regulations on 25th August, censorship was inaugurated. The regulations dealing with censorship[8] prohibited the obtaining, recording, communication, publishing or possession of any naval or military information or any information on any other matter which would be directly or indirectly useful to the enemy; and the causing of disaffection or endeavouring to influence public opinion, whether in Australia or elsewhere, in a manner likely to be prejudicial to the defence of the Commonwealth or the efficient prosecution of the war.

A confidential booklet of Censorship Rules issued on 29th August 1939 by the authority of the Chief of the General Staff for the personal information and guidance of Australian pressmen, executives or broadcasting stations and executives of motion picture companies explained that much of the detailed work of censorship would be left in the hands of these agencies themselves. While the agencies were at all times responsible that matter given to the public did not infringe any Act or Regulation,

[7] See Appendix 3, "The Banning of the Communist Party".

[8] Defence (National Security-General) Regulations 17, 19 (1) (b), 21, 41 (1), and 42 (1), (3), (4).

they were not obliged to submit any item for censorship unless the Chief Censor so directed. One of the main functions of press, broadcasting and film censorship was to examine items published or exhibited and to bring to notice any infringements. The Chief Censor might at any time compel any agency to submit for censorship all matter which it was proposed to publish or such matter as was related to a specified subject. Doubtful items should therefore be submitted to censorship without delay. To assist in the working of this system the various Press organisations, the Australian Broadcasting Commission, the Australian Federation of Commercial Broadcasting Stations and the film industry in Melbourne and Sydney had appointed Censorship Liaison Officers who were responsible for bringing forward to the censorship staff problems arising out of the operation of the regulations and who would also be the channel through which censorship decisions would be communicated from the censorship staff to the agencies they represented.

The booklet also contained a first list of matters in respect of which the publication of information was specifically prohibited. The list covered such topics as movement of troops, shipping and aircraft, defence installations, unofficial casualty lists and espionage. It was directed that certain other matters, such as accounts of air raids and bombardments, references to the taking over of factories and reports of the health or conduct of troops should be submitted to censorship before publication. Regarding what might be termed matters of opinion, the official policy was set down as follows:

> Legitimate criticism will not be suppressed. Publication of statements likely to prejudice the recruiting, training, discipline or administration of any of His Majesty's Forces is prohibited.
>
> No attempt is made to define the limits of "legitimate criticism". Each case should be considered in its own circumstances and in doubtful cases the matter should be submitted to the Censor. As a matter of routine complaints or criticism of administration are at once made the subject of inquiry, and this will be expedited if matter of this kind is submitted to the Censor or referred to the District Commandant or Department concerned. If necessary further reference can be made to the Minister.
>
> Statements of soldiers alleging bad treatment either in Australia or elsewhere should be submitted before publication. Such statements will then be forwarded to the proper authorities for investigation . . . .
>
> It is not permitted to publish by statement, cartoon, illustration, photograph or cinematograph film, any matter—
>
> 1. Evincing disloyalty, or likely to encourage disloyalty.
> 2. Likely to discourage enlistment in the forces or in any auxiliary service.
> 3. Likely to prejudice His Majesty's relations with foreign powers, or likely to offend such Powers.
>
> The imputation of hostile or unneutral acts to the subjects of a neutral power is prohibited.

After the assent to the *National Security Act* and the gazetting of the National Security (General) Regulation (Statutory Rules 1939 No. 87) on 13th September, the wide powers conferred by the dragnet clause of Section 5 and Section 16 of the General Regulations were relied on for the making of censorship regulations. These sections placed in the hands

of the Minister a power of censorship as extensive as his own opinion of what was necessary or expedient in the interests of public safety, the defence of the Commonwealth or the efficient prosecution of the war.

In readiness for the application of censorship, both to communications and publicity, skeleton staffs had been prepared by Army Headquarters in each capital city, mainly composed of persons who had censorship experience in the war of 1914-18. In the meantime, however, a Department of Information had been created on rather different lines from that envisaged in the War Book, and on 18th September the Minister for Defence delegated to the Minister for Information the powers and functions conferred on him by Section 16 of the General Regulations in respect of the censorship of press, radio and films. Henceforward the two branches of censorship were divided—publicity censorship being the responsibility of the Department of Information and communications censorship the responsibility of the Department of Defence and later (after reorganisation in December) of the Department of the Army. In fact, although plans and policy had been prepared, it does not appear that the army, during the three weeks in which all censorship was in its hands, actually engaged in any censorship of publications. Indeed, for a time, publicity censorship was a little haphazard, for the new department concentrated first on organising its information services—a task which it completed on 9th October when its editorial staff commenced activities—and it was not until 2nd November that Publicity Censorship was fully established as a separate branch within the Department of Information. In the meantime, the personal zeal of some District Censors in excising comment from trade union papers during September had provided the occasion for the Prime Minister to reiterate that the Government did not desire any censorship of political comment or of criticism of the Government.[9] His statement later became one of the earliest instructions to publicity censors.

For the special purpose of publicity censorship, a Press Censorship Order was gazetted on 6th October, providing for the creation of such press censorship authorities as the Minister might direct and giving such an authority power, by an order in writing, to require any editor, printer, publisher or author to submit, before printing, any matter intended for publication and to forbid the printing of the whole or any portion of the matter submitted or direct that alterations be made in it.[1] In applying this order, however, the Publicity Censorship continued the method of voluntary censorship which had originally been sketched by the army. By arrangement the newspapers were trusted to judge for themselves what was forbidden and, if doubt arose, to submit the matter to the authorities.

Cordial relations were established with the Press, with the help of the liaison officers, and at the end of six months the system of self-censorship was reported to be working well with all except a few factional journals.

[9] *Commonwealth Debates*, Vol 161, pp. 1123-24.

[1] The Order, published in the *Commonwealth Gazette* on 6 Oct 1939 at p. 2105, was amended by Orders made on 31 Jan 1940 and published in the *Gazette* on 8 Feb on pp. 333 and 334 respectively, in order to repair defects discovered when control over certain Communist newspapers was being considered.

As already recounted, five small papers were ordered to submit all copy before publication after they had failed to heed warnings that they were contravening censorship instructions or had defied the censorship. The order to submit copy was regarded as a measure to enable the Censor to exercise control when events had shown that stricter control was desirable. The serving of orders was ineffective and eventually the Government took action, using the censorship power, to ban nine papers in May 1940.

The chief public complaints about censorship from the larger newspapers came as the result of difficulties encountered between the Department of Information and service intelligence officers regarding the releasing of news and photographs of such events as the embarkation of the A.I.F. and its arrival in the Middle East, and the issuing of instructions in respect of incoming press cable news. The daily newspapers complained of the needless delaying of publication after reasons for security had passed. Their complaints were fed by a few instances in which news which the Australian services wished to ban was being freely published elsewhere. The Government was on the side of freer publication. The War Cabinet decided in October that the final decision in any matter of publicity censorship should rest with the Department of Information and not with the services, but that liaison officers from the navy, army and air force staffs should be appointed to work with them[2] and in February, after the Minister for Information had expressed his dissatisfaction at the manner in which service intelligence officers had interfered with the duties of press censorship officials, the final responsibility of this Department was reaffirmed.[3] In the same month the Full Cabinet defined the relation of the services to the Chief Publicity Censor to be that of advisers only and ruled that Publicity Censorship was to be the sole authority for communicating instructions to the press and other publicity mediums and to have responsibility for all incoming press material from abroad. Basic rules were to be agreed upon by the Minister for Information and the ministers of the services and matters of interpretation and minor alterations were to be arranged by consultation between the Chief Publicity Censor and the service or services concerned.[4] In practice, however, the censorship of incoming cables was handled, by agreement with the Department of Information, by Communications Censorship, which excised from press messages similar types of statements as it would excise from private correspondence. Press cables lodged in other parts of the British Commonwealth were not censored in Australia, it being assumed that, as they

[2] War Cabinet Minute 36, 16 Oct 1939.

[3] War Cabinet Minute 159, 14 Feb 1940.

[4] Full Cabinet Minute 16, in War Cabinet series, 26 Feb 1940.
Contemporary statements made by the Council for Civil Liberties to the effect that military censorship was masquerading as civilian censorship have to be qualified by the fact of the keen and successful tussle of the Department of Information, a wholly civil authority, to assert its supremacy over the services in regard to publicity censorship. The Council for Civil Liberties probably was worrying chiefly about the censorship of expression of opinion. Those interested chiefly in the reporting of the events of the war would not have shared the outright distrust of the military censor as such, but rather would have said that every censor handling war news, whether in or out of uniform, required a sound training in military intelligence. Without such training censors were apt to cut needlessly in accordance with a set of instructions or, in ignorance, apply other standards than the strict requirements of military security.

had been passed by censors in the country of origin, there was no objection to them. For the rest, the major use of censorship was against cablegrams from Moscow to the Australian Communist paper, *Tribune*. For example, a Moscow cablegram of 6th April alleging Finnish atrocities against the Russians and containing an attack on Britain and France was suppressed.

In Parliament some criticism was directed against the censorship of opinion and suggestions made that the sole purpose of censorship should be to prevent the publication of information which might be useful to the enemy. Blackburn sought also to make a distinction between restraint before publication and accepting the consequences of wrongful publication and drew an analogy with the procedure in the case of a person charged under Regulation 42 with having endeavoured to influence public opinion in a manner prejudicial to the efficient prosecution of the war. Such a person would have an opportunity, after publication, to answer the charge before a magistrate and defend himself; whereas a censor prevented publication according to his own opinion of what was likely to be prejudicial.[5] The point however would appear to have been too subtle for general endorsement and most of the criticism was directed against particular instances of what was regarded as being unnecessary or repressive censorship. On examination, most of these instances, quoted from the early days of censorship, seem to have been due to the misconception of their duties by individual censors and the blundering of zealous but ignorant subordinates rather than to censorship policy. One of the instances quoted against the Government was the censoring of a press statement which the Prime Minister himself had made concerning naval conditions in elaboration of an answer he had given to a question in the House.

The orders against Communist and trade union papers to submit copy was criticised as a move to suppress opinion, but such criticism did not recognise the patience with which authority had attempted to bring these journals to conform with the system of self-censorship and recognise the regulations to which all other newspapers in Australia had submitted. They were in fact challenging censorship. If each case is examined in isolation it is doubtful whether the matter printed was so dangerous as to call for excision. The first approach by the censors had been to draw attention to the doubtful passages, and the order to submit articles had been served when the editors had offended deliberately or defied the censorship. Eventually, when all Communist papers were banned, it was as part of a general move against the Communist Party as such and was the consequence of a War Cabinet decision taken because of general activities in addition to the opinions the party had expressed in its papers. The difference between the critics and the Government in the end was largely that while the critics read out particular quotations and asked with some cogency why it was necessary to cut them out, the Minister for Information, Sir Henry Gullett, who was far less temperate on this question than some of his colleagues, including his leader, was acutely conscious of the

[5] *Commonwealth Debates*, Vol 162, p. 1605.

aims and objects which the papers were serving. "They are enemy publications," he declared warmly in the House when nettled by questioners.[6] Because that was what he thought, he first prohibited them from writing on certain subjects—and this ban had such unnecessary results as preventing them from printing articles in praise of health services in the Soviet Union—and then joined in the total ban of the publications.

In due course a Film Censorship Order and a Broadcasting Censorship Order were gazetted to bring those mediums within the system of publicity censorship. Two other sides to censorship were the conclusion of arrangements with the Commonwealth Statistician for the withholding of statistical information of production and trade which might be of value to the enemy and the working out of a kind of voluntary censorship on the Parliamentary Debates. Hansard did not come under censorship by any authority except Parliament itself but newspaper reports of proceedings in Parliament became subject to censorship rules and on one occasion a statement made in the House which was considered to impair naval security was prohibited from publication in the press and radio. In due course Hansard appeared with blank spaces instead of the offending passages and a footnote explaining that the remarks had been expunged with the consent of the honorable member concerned.[7] On other occasions not so directly affecting security, members of Parliament were critical of the idea that statements made in the House and published in Hansard should be subject to censorship in the press.[8]

The communications censorship, which remained an army responsibility, was less public and more mechanical than the publicity censorship. After the division of functions between the army and the Department of Information the Deputy Chief Censor, Communications Division, was appointed Controller of Postal and Telegraph Censorship. The cardinal points of policy were to effect a 100 per cent censorship of all speedy, and consequentially potentially dangerous, means of communication between Australia and overseas and to effect the highest possible censorship of mails within the limits of staff available. Some discrimination was shown in deciding what communications were to be examined by censors. For example, inland mails were normally free from censorship but in special circumstances it might be decided that mails sent from an area of active military operations or to and from certain individuals should be specially watched. The power of censorship extended to all communications and the discrimination was either for convenience and economy in the censorship organisation itself or to serve the further principle of "interfering in the smallest measure consistent with security with commercial and social relationships" avoiding delays and maintaining goodwill.

The functions of censorship were described by the army as prohibitory, deterrent and informative. The first function was to stop the transmission

[6] *Commonwealth Debates*, Vol 165, p. 290, 22 Apr 1940.

[7] *Commonwealth Debates*, Vol 163, pp. 230, 232, 236, 416, 572 and 735. In later Parliaments passages were "excised by direction of Mr Speaker". Vol 165, pp. 1050, 1052, 1069.

[8] *Commonwealth Debates*, Vol 163, pp. 1606 and 1630.

of information of value to the enemy or likely to impair national morale or adversely affect the war effort. It included the detection and suppression in the post of anti-war and subversive propaganda.

The second function was served by making well known the fact that censorship was vigilant, thus deterring people from committing intentional breaches and making them more careful against unintentional ones. Allied with this function throughout the war was an effective publicity campaign appealing both to patriotism and working on the fear of detection. At a guess it may be hazarded that more careless or harmful communications were checked by these means than it was ever necessary to cut out with the censor's scissors.

The third function was to detect breaches of the *National Security Act* and to bring them to the notice of the Commonwealth departments concerned, to keep under observation the communications of organisations and persons who were known or suspected of being hostile and to report the results to the interested authorities; and to glean information of interest or value to the services, departments, or governments. It was in discharge of this third function that censorship probably went furthest beyond the normal practices of Australian democracy—certainly further than the occasional restraining of the expression of opinion or grievances which made publicity censorship the chief target for wartime criticism. A citizen's affairs, whether domestic, vocational or intellectual, not only lost their privacy when put into a letter, but were also converted to public uses. The multifarious uses to which the information gleaned by censorship might be put ranged from the detection of disloyal and subversive activity, to the detection of trading with the enemy, or evasion of exchange regulations, and the revealing of personal discontent. Regularly confidential summaries were sent to the services and selected ministers and departments keeping them posted with the information censorship had gleaned either from the communications it had stopped or "treated" and those which it had let pass unaltered. There was also exchange of information with other governments of the British Commonwealth. The value of this information to administration and in the conducting of the war was considerable, and gave the advantages, well known to totalitarian dictators and secret police, which always accrues from opening other people's letters. To quote an official account: "Censorship acted as the handmaiden of all government departments in connection with their wartime activities".

The Controller of Postal and Telegraph Censorship, whose headquarters was in Melbourne, acted under the directions of the Chief of the General Staff and in liaison with all Federal departments. Seven censorship districts, coinciding with the six States and the Northern Territory, were established each under the local control of a District Censor and in each district, apart from a central office, there were Postal, Telegraph (including radio and cables) and Information sub-sections. The Telegraph subsections functioned twenty-four hours a day on seven days a week and the Postal Sub-section worked according to the despatch or delivery of mails. In each district there were liaison officers from other Federal depart-

ments to act as advisers and consultants of District Censors in regard to subjects of special concern to such departments.

By the close of its first year's work censorship staffs had grown to a total of 1,190 persons. About two-thirds of the persons engaged at the commencement were honorary censors or translators most of whom were engaged part time only. The major responsibility was borne by a smaller corps of full-time censors. In the early stages there was public complaint that some of the honorary censors, devoted women and kindly old men, were gossips and tattlers and that some of the others had little to commend them except a reading knowledge of a foreign language. Perhaps there may have been some ground for the criticism at the outset but by warnings, discipline and weeding out, the corps was gradually shaped into a discreet, prompt and orderly machine for carrying out what was largely a mechanical task of applying their instructions to the papers placed before them.

The national security powers had been granted constitutionally by Parliament and their termination or abridgement was theoretically within the control of Parliament and a term had been set to their operation. The legal limits of these powers were not exceeded because they were practically unlimited. The limits set by public opinion and political pressure shifted outwards during the war as the peril of the nation increased, and the Labour Government under Curtin was able to do without criticism what the Menzies Government was attacked for doing at an earlier stage of the war. The powers had been accorded originally after an assurance by the Government that they would be used with moderation and discretion and that assurance invited constant and critical examination by Parliament of the use of these powers and hence the regular disclosure of what was being done. In the early months of the war at least, by questions and debates, members of Parliament were vigilant to keep this compact and, outside Parliament, other organisations were even more active. Sometimes the effectiveness of this vigilance suffered when it was obviously devoted not to preserving democratic practices but to spoiling the reputation of the Government. By and large, however, democracy was well served by those who kept alive its spirit by their protests against any unnecessary or excessive use of wartime emergency powers. As the war progressed, however, the view of the nation of what was necessary and justified changed. The averting of defeat became paramount. Habits of control and direction tended to become fixed and vigilance was dulled.

The control and direction of Australian life by use of national security powers were however comparatively open. Their ends, their application and their method were visible and known. The injustice they might cause to the individual could be exposed in the suffering, the protest or the legal appeal of that individual. Similarly the banning of a meeting, the censorship of a newspaper or a broadcast, the internment of a person, the prohibition of a book, became known, even if only to the persons directly affected, and, because they were known, the possibility of objection, protest or legal appeal, did not wholly disappear. Wartime communications censorship, being comprehensive, efficient and secret, probably

introduced the habits and practices of the police state into Australian democracy to a greater extent than any other use made of national security powers. The most insidious and also probably the most unnecessary infringement of democratic rights and practices was not in those matters which the public knew and for the most part tolerated, but in the information side of communications censorship; and in the activities of Security Service and the Investigation Branch, which were unknown to the public. What was actually done may not have been injurious or unjust but there could be no vigilance against these activities for they were for the most part hidden. If there were injustice it could not be corrected. Such activities require more careful scrutiny than any other for they strike straight at the individual, the inviolability of whom is the foundation stone of democracy.

These measures may have been necessary; because of their nature it may have been essential that they should be kept dark; if so, these measures, introduced by the Menzies Government but intensified beyond expectation under the Curtin Government, exemplify the reality of the fear of the Prime Minister in the first weeks of war: "The greatest tragedy that could overcome a country would be for it to fight a successful war in defence of liberty and lose its own liberty in the process". The intensification of such methods during the war could only be excused by their total abandonment after the war.[9]

5—THE SINEWS OF WAR

A third side to the question of the nature and extent of Australian participation in the war concerned the country's economic strength and the way in which its economy could be managed in wartime. In pre-war planning the starting point seems to have been an assumption that, on the outbreak of war, there would be an interruption of Australia's seaborne trade following a loss of command at sea and the closing of the trade routes. The Committee on Seaborne Trade, which functioned from May 1939 onwards, considered the need to increase stocks of certain commodities such as oil, rubber, jute and parts of electrical equipment; the question of what equipment would be needed from overseas to expand Australian factories so that they could replace imports; the possibility of diverting land and resources formerly used for producing exports to produce raw materials for Australian industry; the storage of export commodities until such time as they could be shipped and, in some cases, the reducing of production; the consequent effects in shifts of employment and on supplies of consumer goods; internal transport; the financing of stockpiling, storage and production if exports could not be made; the scientific and technical problems of achieving greater self-sufficiency in Australia. The pre-war work of this committee bore useful fruit in the planning and application of import licensing, price-fixing and other war-

[9] See also Appendix 4 "The Wartime Treatment of Aliens" and Appendix 5 "Conscientious Objectors" for other illustrations of the use of National Security powers directly affecting the individual.

time controls but the basic assumption of a stoppage of seaborne trade on which it had been asked to work did not, at the outset of the war, prove to be a fact. Japan did not immediately enter the war and, in spite of some initial losses, the British Navy did keep the sea lanes open, although in time the losses of merchant shipping and the effect of the fall of France on the Allied naval strength, coupled with the exceptional demands for material of war, narrowly limited the capacity of the Allies to shift cargoes.

Within a few weeks of the outbreak of war, however, the emphasis was tending to change from the pre-war assumptions and the planning of Australian self-sufficiency to a new assumption that the sea lanes would be kept open and to a new calculation, first, what contribution Australia could make economically to help Great Britain to carry on the war and, second, how to maintain the Australian economy during the war.

The initial measures were to negotiate and effect sales to Great Britain of wool, sugar, butter, meat, canned fruits, dried fruits, eggs, cheese and metals at prices which, to quote the Prime Minister, were considered "satisfactory to those engaged in these industries, and at the same time reasonable to the British buyer". In those early months, however, the need of Great Britain to draw supplies from Australia was less apparent to Australians than the need of Australia to sell them. Various factors complicated the pattern. In these matters any Australian wartime measures had to be geared with British wartime measures and the pace was set by Britain. Britain had understandable interests, both of trade and economic warfare, in also buying elsewhere and problems of exchange to be watched. The impression built up in some quarters in Australia that the role of the Commonwealth in the war would be simply to produce and furnish supplies to Britain was a very incomplete description of the actual situation. To take only two examples, the pouring of goods into Britain was probably less important at that time than sending them elsewhere to build up the British Commonwealth's foreign exchange, while it was probably less important for Britain to buy dairy produce from Australia than to buy it from Denmark so as to help maintain Denmark's independence, withhold supplies from Germany and conserve shipping.

Besides helping to win the war, Australia had an immediate problem of disposing of Australian export surpluses and cushioning the effects of the disruption of economic life caused by war. This was not only an economic problem, but an urgent political question. At one level there was the pressure of those occupational groups whose livelihood might be affected by war. At another level was the concern about maintaining the economic strength and stability of the country. In the first three months of the war the support of the Australian economy was a major topic in expert and governmental discussions. The building up of overseas balances became much more important than any other phase of economic planning. The disposal of export surpluses was more pressing than self-sufficiency. The maintenance of production came before the re-examination and reallocation of resources. Marketing came before munitions.

In his statement to Parliament on 15th November 1939, the Prime Minister described the economic side of the Government's activities as follows:

> In Australia it has been necessary to give instant and close attention to the problem of maintaining a vast volume of supplies, principally for Great Britain; of obtaining and maintaining a steady flow of shipping; of regulating our overseas trade, and our overseas finance; of controlling our internal finance so that our resources may be used to the best advantage; of minimising the shock to business and the price level which is almost inevitably associated with war, and to devising machinery and marshalling resources for the purpose of stabilising as far as possible the position of those great industries upon which our economic life depends and which would, without prompt government action, be more or less powerless to resist the impact of war. Behind all these, I have my mind clearly fixed upon the importance of planning economically for peace.[1]

Succinctly, the Prime Minister said on another occasion: "The task . . . is to bring about the most effective coordination of all wartime activities so as to give them a common direction and a common purpose and to ensure that when we move out into peace we shall move in a pre-determined direction with a proper capacity to take full advantage of our war experience".

The core of interest appears clearly in a series of papers which were presented to Economic Cabinet by its ministerial members in February 1940, and discussed there. They are concerned with how a war effort should be conducted rather than with what the war effort should be—how to finance the war so as to avoid inflation, how to maintain a steady price level and keep interest rates down, how to stabilise export industries, how to develop new Australian industries during the war so that they will not be an embarrassment after the war, how to prepare for post-war reconstruction. The papers did not discuss a munitions programme but how to alleviate the problems of a diversion of resources. They did not discuss what resources must be applied to what wartime ends but rather the control of investment, materials and exchange. They did not discuss the economic possibilities in maintaining fighting forces and war factories but how any such measures could be accomplished without impairing the strength of the economy on which the extent of the Australian war effort ultimately depended. The bias in these early stages was heavily on the side of sanity and orderliness and conserving the nation's strength rather than using it. This was understandable at a time when it was still not clear what the nation was expected to do and when part of the political problem was to clear up the left-overs of peacetime—unemployment, export surpluses, the predicament of the wheat industry and Federal-State financial arrangements—and to avoid the inequality of sacrifice which the politically vocal section of the populace seemed to fear more than war itself.

The details of this group of questions relating to the economic side of the war effort are to be dealt with elsewhere in this series of volumes, but before leaving them it is of political interest to glance briefly at the Budget debates of September and November 1939.

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[1] *Commonwealth Debates*, Vol 162, p. 1131.

Introducing his first Budget on 8th September, the Prime Minister explained that it had been prepared in peacetime and therefore ought to be regarded as tentative and likely to be considerably expanded later in the session. The peacetime characteristics of this Budget are exemplified by the fact that, although the total expenditure on Defence and Supply was £34,000,000—or more than double the actual expenditure of the previous year—it still formed roughly the same proportion to revenue as had the Defence expenditure of the past four years, while the increase in revenue was not a response solely to increased demands for defence but rather was a continuation of a steady upward movement which had been noticed in previous years.

In the course of his Budget speech, Menzies indicated his view that the central problem of wartime finance was the striking of a balance between the burden to be placed on the taxpayer in the present day and the burden to be borne by the country in the future. His approach can be illustrated by the provision he made to pay £12,000,000 of the total defence expenditure from the Budget and £19,000,000 from loan. Answering an interjector who repeated the hackneyed phrase that it was always possible to find money for war, the Prime Minister pointed out that for every undue expansion which a Government might be forced to take in wartime, when a country's very existence was threatened, a price had to be paid subsequently, and the post-war history of nations had always been one of economic crises and suffering. From this, and statements made on other occasions by Menzies, he would appear to have had very much on his mind the dangers of post-war chaos and instability, and was perhaps at times almost excessively careful to maintain financial orthodoxy in order to ensure that Australia would emerge from the war "in a state of soundness and security".[2]

The Leader of the Opposition, too, after a routine examination of the Budget, devoted some attention to the principles of war finance. In his view it would be impossible for the Government to rely on orthodox banking and financial practice in wartime. Speaking only in general terms, he continued:

> Nations are defended with manpower, physical equipment, guns, munitions, material things, and their capacity cannot be limited by the amount of currency that they have or by any particular measure of credit which any expert or band of experts likes to fix . . . . The war . . . will not be ended because any of the parties is short of money. It might be ended because of a shortage of shells and shortage of men or a shortage of foodstuffs; it will be a physical deficiency rather than a mere absence of financial documents which will be the determination of whether or not a country has the capacity to withstand its foes in the conflict upon which we have entered . . . . There will have to be some use of Bank reserves and some use of Commonwealth credit.[3]

Mr Curtin spoke, too, of the existing state of unemployment which he estimated at 200,000 men, but went on to speak not only of the essential

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[2] *Commonwealth Debates* Vol 161, p. 319 et seq.

[3] *Commonwealth Debates* Vol 161, pp. 402, 403, 404.

responsibility towards the unemployed but of the national need to use them for production, in effect sketching a manpower policy.

> I do not know (he said) what intensification of production is practicable but I believe there ought to be room greatly to increase the number of men employed in all factories and accessories relating to the servicing of the defence forces, including clothing factories, munitions factories, leather factories, etc. Idle men ought to be brought in. If it is objected that many of these men would have no training for the particular work concerned, there could be a transfer of a certain proportion of skilled men from private factories, whose places would be taken by others now unemployed. There should be some adaptability to ensure that no man should go hungry because he cannot get a job. In face of the stark realism of our situation, it must be palpable to all of us that we cannot afford to have men idle now.

He went on to speak of the need to ensure that the State Governments had sufficient money to employ men on works and also made the suggestion that Australia should not be frightened of having a surplus of food-stuffs but could easily make Budget provision to spend £1,000,000 on food supplies to be offered immediately as a free contribution to the people of Great Britain.[4]

In the ensuing debate it is clear that among the points which caused most concern to the orthodox was how, and by what standards, safe limits would be set to the extension of credit which the Opposition urged in rather general terms.

The tentative introduction of the peacetime Budget in September was quickly followed by a revised Budget brought down in November by Spender, newly-appointed as Acting Federal Treasurer. His accompanying statement may be accepted as the considered view of the Government on the nature of its wartime financial problems, and here for the first time a Federal Treasurer explicitly states that the problem is one of employing real and not money resources.

Spender's starting point was the assumption that the war would last three years and would require an intensified national effort and the dedication of a very large proportion of the nation's resources. His statement, which would appear to reflect the opinions of some of the experts who had been brought by wartime necessity to supplement the traditional advice of Treasury officials, continued:

> It is necessary for us to consider this problem in terms of the resources which will be required both for the war effort and for the civil needs of the people. Only resources now available can be used for this purpose. To see the problem as one of making the best use of resources makes it clear that the real burden of our war effort must be borne now; that it cannot by ingenious financial devices be shifted to the future. Once we recognise this fact we can concentrate our attention on securing the necessary diversion of resources from peace to war purposes with a minimum of interference with the standards of consumption we have enjoyed in the past, and on avoiding disturbance to the balance of our economy which would make the subsequent transition from war to peace more difficult.
>
> Briefly stated, the financial policy of the Government is to finance the war effort by a balanced programme of taxation, borrowing from the public and borrowing from the banking system. This summary, however, does little to illuminate how

[4] *Commonwealth Debates*, Vol 161, p. 405.

that policy will be applied at any time. The balance between these three methods of finance must change from time to time and the determining facts will be mainly economic. A review of the condition and trends of the economic system must precede a judgment on the exact financial policy required.

The November Budget raised estimates of war expenditure from £34,000,000 to £62,000,000 but did so mainly by increasing loan allocations to £49,000,000. The Government, however, had made a distinction between a short-term policy which placed the emphasis on an expansion of money through borrowing from the banking system in order to meet the current business recession and tendency towards higher unemployment at the end of 1939, and a long-term policy which was intended to rely more and more on taxation as economic activity responded to the expansion.

In the following months the estimate of war expenditure was raised from £62,000,000 to £70,000,000 but the actual expenditure lagged behind the estimate and the final figure for the year was only £55,000,000. As in the last pre-war year, the defect in the Government's plans was its inability to overcome the organisational and other obstacles which lay in the way of a prompt and effective development of a national war effort. The year's experience also belied the Government's expectations in regard to loan expenditure. In actual fact £24,000,000 was spent from revenue and only £30,000,000 from Loan. This appears to have been due in part to an increase in revenue and a consequent switch by the Government to avoid an embarrassing surplus. This unexpected result was due mainly to increased receipts from customs and excise reflecting early wartime buying, although taxation revenue also exceeded the estimate.

The Budget was passed without any political difficulty but during the debate frequent opportunities were found for expressing concern over unemployment, the checking of profiteering and the control of prices. Price control was advocated both as a necessity for the protection of the people of Australia from exploitation and the country from disorder, and as an instrument for use in financial control.

The Government, however, had taken prompt action in the first week of the war in regard to prices and by mid-November the system was already working smoothly with cooperation between all States. As a preliminary step a Prices Order had been gazetted on the 8th September fixing the price of certain goods at the level ruling on 31st August; a Prices Branch of the Trade and Customs Department was then established and a Commonwealth Prices Commissioner, Professor D. B. Copland,[5] appointed to fix maximum prices of declared goods and services. As the result of a conference with representatives of the States, a Deputy Prices Commissioner had been appointed in each State and in the internal territories of the Commonwealth and the necessary administrative machinery established.

[5] Sir Douglas Copland, KBE, CMG. Prof of Econ Univ of Tas 1920-24; Prof of Comm and Dean of Faculty Univ of Melb 1924-44; Cwealth Prices Commnr 1939-45; Prof of Econ Univ of Melb 1944-45; Aust Min to China 1946-48; Vice-Chanc Aust National Univ Canberra 1948-53. High Commr for Aust in Canada 1953-56. B. Timaru, NZ, 24 Feb 1894.

Exchange control was initiated a few days before the declaration of war in order to conserve overseas funds and to exercise some discrimination and economy in their use. A system of import licensing, which had been planned at the end of August and approved by Cabinet in mid-October, was introduced at the beginning of December. In its application it was originally directed almost wholly to conserving dollars. Action was taken to control investment and to restrict new building projects.

6—THE MIND OF THE NATION

The Australian people entered the war with a united will to resist Hitlerite aggression. A month later there were clear signs of flagging interest.

The course of the war and the initiative taken by Germany both in fighting and in propaganda may have contributed to this state of mind. The *blitzkrieg* in Poland and the speed with which the country was overrun within four weeks of the invasion left people puzzled as to what would happen next. Then, early in October, Hitler announced peace proposals and, although these were promptly rejected by Great Britain and other nations of the British Commonwealth, discussion of the possibility of peace continued and was reinforced in November by peace appeals from Belgium and the Netherlands, both lying uneasily in the path of Germany should she strike westward. Throughout the European winter, while Australians were being lured by nature to the accustomed languorous sunbathing on golden beaches, the chief military activity was reported from what looked like an independent war between the Soviet Union and Finland. In the meantime German short-wave stations, Communists, and home-bred Australian wiseacres were popularising the idea that this was a "phoney war", and that there was not likely to be much real fighting, that perhaps after all there was some secret arrangement to let Germany have Poland. On the other hand, even the hyper-patriotic were saying that all the Allies had to do was to sit down behind the impregnable Maginot Line and wait for Germany to crumple from her own intestinal distress. The sort of people who read newspaper editorials and serious magazines were arguing about whether or not Finland was a democracy, a victim or an aggressor and whether or not there was a world conspiracy against the Soviet Union. Ordinary folk talked of comforts for the troops and went down to wave farewell to the ships which, by human fellowship piercing military security, everyone knew were carrying our boys to training grounds overseas, but they still wondered what exactly our boys were to do. The journalists wrote this and that of the strength or weakness of the line in northern France to which British troops had moved in September; close readers of newspapers found themselves with maps and pins ready to mark the campaigns on distant fronts but without news of any movements which they could elaborate in the pleasant fireside game of higher strategy. A popular song of the day, "We're gonna hang out the

washing on the Siegfried Line" expressed confidence in the outcome and some contempt for the enemy.

There were some British losses at sea but the Battle of the River Plate in December, when the pocket battleship *Admiral Graf Spee* was put out of action, lifted men's confidence that Britain ruled the waves. For the rest, there were Cabinet changes in Britain, the replacing of Daladier by Reynaud in France, precautions against air raids, and the building up of the blockade. But for six months there was more enemy propaganda than Allied action. There was much to confuse Australians but little to challenge or inspire, until, on 9th April, Germany invaded Denmark and Norway and a new phase of the war began.

One effect of the confusion over the course of the war during the first six months can be illustrated by looking briefly at public discussion concerning suggestions for a negotiated peace. As already indicated, Curtin's hatred of war because of what it did to the common man had led him to hold from the commencement to the possibility that an early way out of the conflict might still be found. He concluded his first wartime speech with "the hope, however little there may be to justify it, that somehow, as early as possible, there will intrude into the councils of the countries at war those influences that will persuade them to call a truce from warfare so that they may, even now, while the guns are flaring, sit down to discover whether, after all, right cannot triumph without being backed by might".[6]

The Nazi "peace offensive" of early October did not deceive many. It was promptly dismissed by the Prime Minister and no significant body of Australian opinion responded to Hitler's proposals. Towards the end of October, however, and, it would seem, independently of any German move, there was growing agitation among the left-wing industrial unions for a negotiated peace. Resolutions were passed by the Ironworkers' Union, Waterside Workers' Federation and Miners' Federation. Resolutions by other union executives and shop committees were publicised rather more widely than their standing warranted. The Communist Party's central committee distributed (on their own report) 295,000 leaflets, more than half of them in New South Wales, calling for peace. The International Peace Campaign was revived. The appeals by Queen Wilhelmina and King Leopold to the Governments of Great Britain, France and Germany to enter into peace negotiations, reported in the newspapers, reached Australian homes with a persuasiveness and a reasonableness that the Communists' leaflets lacked, and the approach of Armistice Day, 11th November, evoked again those memories which for twenty-five years had reinforced many earnest people in the faith that wars might cease. Talk of peace was often joined in misty union with hope for a better world. From Cabinet room to the parlours of the intellectuals there seemed at times to be more talk about the nice things to be done after the war than the grim and dirty tasks to be done during the war. Indicative of the mood, though it was an expression of the desire for "a peace founded

[6] *Commonwealth Debates*, Vol 161, p. 40.

upon just dealings in the social and economic life of all peoples" rather than a case for immediate peace negotiations, was the support given to a peace manifesto prepared in Western Australia. This manifesto was signed by the State leaders of the three political parties, and by representatives of various shades of opinion or occupants of public office ranging through the judiciary, local government, university and other educational bodies to associations of business men and Rotarians.[7] Sincere and well-meaning though these high-placed signatories may have been, this and other declarations so clearly belonged to a pre-war period when people sought to change the world with draftsmanship, pieces of paper and acceptable resolutions, phrased to pick up many adherents, rather than to a world that was in immediate danger of being changed by guns and aeroplanes.

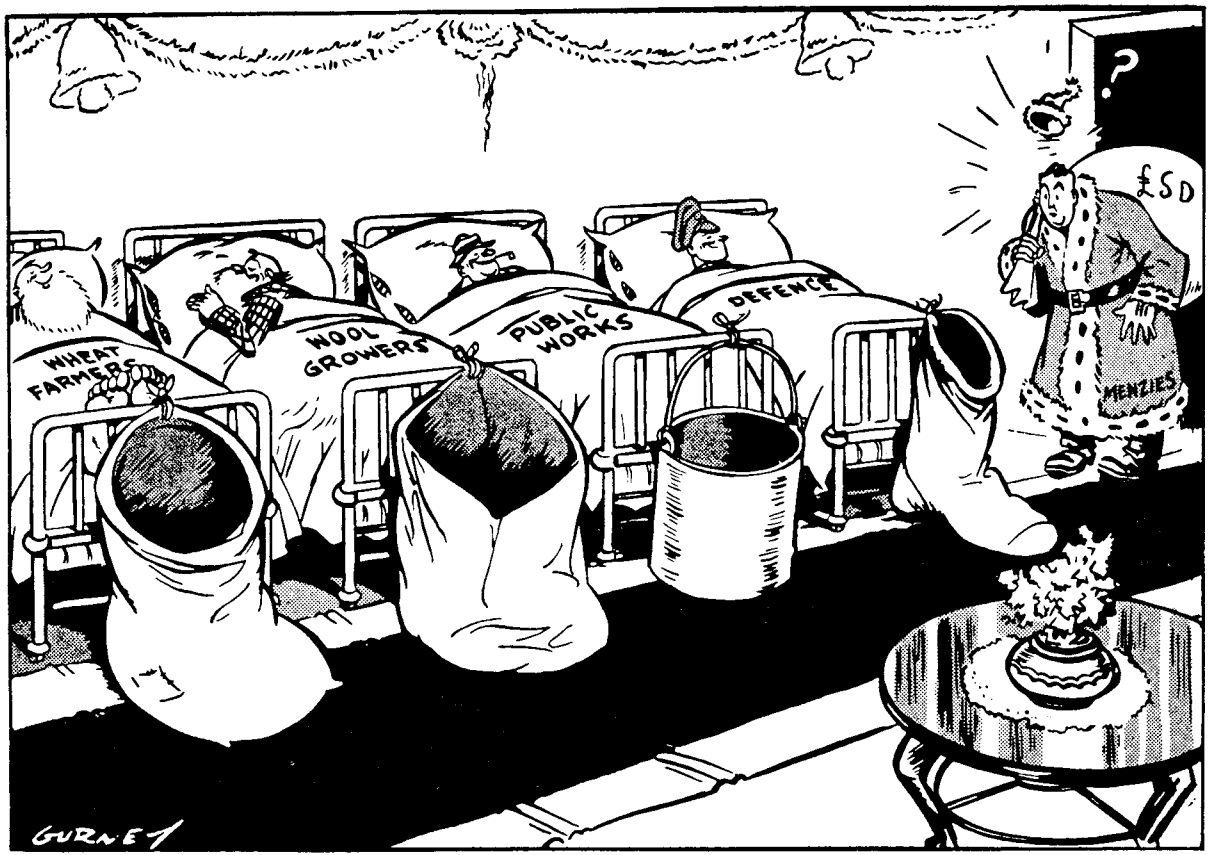
The official view of the Australian Labour Party, as expressed in Parliament by its political leaders, was less definite than that of the industrial unions. Curtin supported the view that "there has to be associated with overtures for peace an exhibition of genuineness on the part of those who will participate in the discussion", and that there must be something quite different from the Munich Agreement, but he felt that, during the lull in the war, "it would not do civilisation any great harm for us to pause and reflect whether, after all, some method could not be devised as an alternative to all the possible consequences that must follow if this ghastly struggle attains full momentum. The Labour Party is not alone in the belief that the door should never be closed against negotiations which may have for their object the prevention of a lengthy struggle".[8]

Curtin's words were rendered by Ward as a "suggestion . . . that instead of carrying on this stupid conflict which cannot bring benefit to the workers of any country, an effort should be made, at the earliest possible moment, to summon a conference of the major nations for the purpose of ending it". The member for East Sydney put the most appealing of the many arguments of the trade unions very succinctly when he said a little later that "the workers in every part of the world, regardless of whether their nation be declared the victor or the vanquished, will be the losers. That was our experience in the last war".[9]

This discussion of the possibility of peace continued, although with dwindling force, until April 1940. Could an appeal to win the war gain a full response from those who fancied that it might be ended without being won? Besides those who looked at war as a breakdown of peace and hence thought first of repairing peace rather than waging war, there were those who looked at war as a threatening storm and hence busied themselves first with fastening the shutters against it. When associations of primary producers, commercial men or the trade unions passed resolutions declaring whole-hearted cooperation in the war effort they often added explicit and businesslike paragraphs stressing the need to protect this or that part of the national life; and there were some resolutions

[7] *West Australian*, 10 Nov 1939.
[8] *Commonwealth Debates*, Vol 162, p. 1191.
[9] *Commonwealth Debates*, Vol 162, pp. 1220 and 1221.

THEY STILL BELIEVE IN SANTA CLAUS



Gurney in Herald (*Melbourne*) *21 Dec 1939.*

which skipped the earlier part and simply asserted sectional rights. During the early months of the war at least, substantial bodies of opinion were busy staking out those matters which nothing should be allowed to damage. In all political parties there were expressions of determination or hope that in the waging of war there would be equality of sacrifice, no profiteering, no reduction of wages, no infringement of civil liberties, no undue disturbance of the economic life. For some people the immediate wartime problem was not the waging of war against the distant enemy but the marketing of the coming harvest, the avoiding of unemployment, the effect on imports, the risk of injustice to any individual, the defence of the Australian coast.

The concern of each section to protect its own most precious possessions, and the absence of a single opinion on what were the common possessions of the whole nation, inevitably led to suspicion that one group or another was suffering more or profiting more than the rest of the nation. Perhaps the most common phrase that passed current in political discussion during the early months of the war was "equality of sacrifice". That sound principle of social justice, however, which might have been more happily phrased as equality of service, was frequently used in a context where it clearly meant: "Take care you don't do more than the other fellow", or "Be careful not to give more than the next man", or "He is getting more out of this than I am".

In its origin the war was a war of resistance to an aggressor—a war to preserve certain values and to protect certain rights against encroachment. Its mood was initially to defend rather than to attack, to conserve rather than to destroy. The minds of people were turned less towards armed victory than towards peace and order and the retention of the benefits of democracy in Australia.

There were some of course who saw the war more starkly. Wars were either won or lost and it was better to win them, and the way to win them was to fight. But where to fight? Even those who clamoured for action were divided in their views on the kind of action they wanted.

There was considerable uncertainty over what was best to do. For over twenty years one half of organised political opinion in Australia had been declaring that there must be no participation in a war in Europe. For the same period professional soldiers and armchair strategists had been stressing the peril in the Pacific and taking as the starting point of their discussion of defence the probability that when war broke out in Europe Japan would take the opportunity to strike southward. It was obvious that Australia should further strengthen her home defences and to that extent relieve Great Britain from some measure of responsibility outside Europe and it was also obvious that supplies would be needed for Europe. Beyond that what could be done? There was both pressure for an expeditionary force and opposition to it, and even the Government itself when it decided to raise an expeditionary force was uncertain where the force would serve.

After two months of war had passed there were in the Australian nation those who said that the Government was not doing enough, those who said that the Government was doing too much, those who said that it was doing the wrong things and those who just wondered. The Press chorused for "leadership"—a cry which reads at this distance like the bleating of the lost rather than the demand of determined men—but the Government, and the Prime Minister in particular, seemed to be averse from attempting leadership in the sense of mounting a rostrum and telling the nation what to do. The Fuehrer principle was in discredit. Furthermore, any man with political sense must have been conscious of the fact that there were considerable limits to what a government could achieve by exhortations or demands for action. There was the experience of the pre-war lag in rearmament to warn the administration that considerable organisational difficulties would have to be overcome before a declaration of active participation in the war could be turned from promise into purpose. There was a knowledge of national unpreparedness to point the need for laying solid foundations while there was time. There were the apparent differences of interest within the country to be brought together and subordinated to a common need.

At the outbreak of war, as already shown, the expansion of the services was lagging even behind the requirements of peacetime rearmament because of lack of equipment and materials, and delay in constructional works. The new Supply and Munitions organisation was only just beginning to function. The declaration on 3rd September did not automatically accelerate military activity but only increased the load on defence machinery that was already labouring. In the country at large, unemployment was still a political problem and political thinking was fixed in the idea that war would throw men out of work.[1] Equally fixed was the idea that unless the export surpluses of wheat, wool and other primary products were sold overseas at satisfactory prices a financial depression and further unemployment would follow. Harvests were in prospect but there was doubt whether there would be markets and shipping. There was also some uncertainty in the political sphere as to the way in which the war could or should be financed.

Such considerations as these and the recognised need for building up the strength of the nation to sustain the eventual challenge had apparently been behind the public appeal by Menzies in the first week of war for "business as usual"[2]—a phrase which, as he subsequently explained, came from his considered estimate of the situation. The situation as he saw it was that there was a high percentage of unemployment, the war effort had not been sufficiently organised to enable it to absorb the unemployed rapidly, an immediate increase in taxation would probably have caused further unsettlement and delayed the completion of the war organisation.

[1] The National Register of July 1939 revealed that 264,000 males between the ages of 18 and 64 were unemployed, or approximately 12½ per cent of the total wage earners. See *Commonwealth Year Book* No. 37, p. 492.

[2] Reported in the *Sydney Morning Herald*, 6 Sep 1939.

Therefore the immediate need was not to overload the nation but to prepare for the eventual emergency.

Summing up the actions of his Government in a national broadcast on 3rd November, Menzies said that he had endeavoured to give Australia "a sober and sensible lead" and he deprecated "stump oratory and excited denunciation", saying that he had preferred to concentrate on the job in hand. The war was unspectacular but none the less real. Unlike dictatorship countries, democracies could not be regimented in peacetime and, as a result, when an emergency occurred they required time to gather their strength and organise their resources. The phrase "business as usual", however, is not one that rallies a nation to war effort. The Prime Minister's exhortations to calmness and good temper had none of the dramatic quality of Fisher's[3] phrase "to the last man and the last shilling" in 1914. Yet it was probably closer to the political temper of the times than bolder statements might have been.

It would be inexact to make a judgment that patriotism was not stirred or that the Australian attitude to the war was wholly selfish. Australians themselves were conscious of the danger of that fault and newspapers deprecated the idea that "Australia's duty was to defend herself and to sell her products as dearly as possible", and declared their repugnance to the idea that Australia thought of "entering the war on a limited liability basis, and waging it to the last pound of butter and the last bale of wool".[4]

Besides the men who were calculating how the war would affect them there were men who had such simple thoughts as "I want to get a crack at Hitler". Besides those who wondered if there were still a possibility of peace, there were those who were asking how soon the real fighting would start. Besides those who wanted to conserve peacetime practices and peacetime benefits there were those who wanted to change rapidly to total war.

In the first six months of the war 22,000 men enlisted in the A.I.F. and about 60,000 were offering for the Royal Australian Air Force in addition to the 11,000 who were actually selected. There were undoubtedly thousands of others who would have been ready to volunteer but who did not do so at that stage either through lack of urgency in the demand for their services or the restraint of the list of reserved occupations.

This demonstration of the ardent patriotism of tens of thousands of Australians might have encouraged a government to make a stronger call on the patriotism of the remaining millions of the Australian people, but, as explained earlier in this chapter, the Government could not yet see clearly where and when and in what form Australian strength would be required and its immediate concern was in completing its organisation for war and in building up the material and moral strength of the nation to sustain the burdens of a long and unpredictable war. When any political observer looked at the remaining millions of the Australian population at

[3] Rt Hon Andrew Fisher, Prime Minister 1914-15. See Scott, *Official History of Australia in the War of 1914-18*, Vol XI, p. 22.

[4] *Sydney Morning Herald*, 25 Sep 1939.

the end of 1939 he saw a good deal of puzzlement and uncertainty and even, in some quarters, either apathy or self-interest. The interests of the Australian people in the events in Europe had only been stimulated by the recurrent headlines of the past year, reaching a climax in the outbreak of war, and now the headlines were less exciting and emotion was jaded. The season in which they had to make the adjustment from their old habits to the ways of war was not an uncomfortable winter with thoughts of invasion in the spring but a sparkling summer when the surf beaches still lured them to a pagan and forgetful peace.

How should the people be stirred and mobilised? Looking back on the war, the lesson might be drawn that the greatness of a people is awakened by a great demand. Recalling the conditions at the end of 1939 it has to be recognised that at that time it was difficult to know what demand to make. The alternative to a bold and imaginative move, which might or might not be the right one, was to attempt to prepare the mind of the people as well as the resources of the country to meet the eventual demand in whatever form it might come. In doing that, the choice would be between exhortation and education.

The Government chose the method of education. The Prime Minister's own public addresses were pitched in a temperate key. He gave reasonable explanations in well-modulated periods. No drums banged nor bugles sounded. For example, addressing the Legacy Club, Melbourne, on 17th October on "War Objectives" he explained that the real and substantial cause of the war was the determination of Germany to go on in a way which, if unchecked, would produce a domination of Europe by brute force. The first thing that Australia was fighting about was that there should be brought nearer a system of international government which would give protection to weak nations and give some stability to the world. We were looking for security for the world and not for more property for ourselves. There must be no territorial gain. There must be no attempt, as the result of this war, to suppress the ordinary German people. We were not merely seeking to defend the *status quo* in Europe. When the war was won we must make a better and wiser effort to prevent another one.

> I believe that we will steadily realise that in the long run there will be no permanent peace for this world simply by having alliances between one group of powers and counter alliances between another group of powers, because that kind of thing will keep on producing war just as surely as we are human beings. We must, when this war has been won, endeavour once more to establish the idea that there must be some international arrangement for the outlawry of war, that every European power—and I hope every world power—will belong to it; that the nations of the world will realise that war is always avoidable by tolerance and understanding; and that they will determine, by sensible arrangements to live together in such a way as to prevent the defiance of the law by any one of them.

A month later, speaking in Parliament of the suggestions for peace negotiations, he said: "This war was not lightly entered upon by us. The cause for which we entered it will not be lightly abandoned". He went

on to speak of the war aims of Australia. The first was victory and the need for this victory lay in "the future peace and happiness of simple men and women the world over".

> I do not believe (said Mr Menzies) that you can compromise about the vital things in civilisation, about peace and justice and freedom and the sane settlement of disputes. Either you have them or you do not have them. And there are no people more interested in securing them than the people of small and weak nations, and the small and weak people of every nation. Our cause is that there shall be justice and a quiet living for the weak as well as for the strong. It is a great and humane cause. It has been the dynamic force in our domestic political growth for centuries; from now on it must animate our international affairs and give direction to the policies of nations.

This faith in the cause which victory would serve led to the second aim —the establishment after victory of a better Europe and a better world, with security, peaceful trade and commerce, prosperity shared by all nations and freedom and equity for all.

This conscious process of building up the strength of the nation and mobilising its resources on the mental as well as the material side, in preparation for the emergency, was continued in the early work of the Department of Information, the creation of which was one of the first special measures adopted in wartime.

The War Book proposal for a Publicity and Propaganda Bureau as an organ of the Prime Minister's Department was set aside and a separate department with a broader mission was created. In announcing the decision to establish a separate Department of Information and the designation of Gullett as Minister, Menzies stressed firstly that the department was to be regarded as a wartime instrument—"an auxiliary to governments engaged in war"—and would be dissolved at the return of peace, and secondly that it was not in the faintest degree a party institution.

> It will be the duty of the new Ministry (he said) to assemble and distribute over the widest possible field, and by every available agency, the truth about the cause for which we are fighting in this war, information bearing on all phases of the struggle, and, by its many agencies, to keep the minds of our people as enlightened as possible and their spirit firm.

Among its particular tasks would be the issuing of news and notices of a war nature from government departments, the supplying of information on government wartime activities of every kind, the supplying of particular information upon individual request, inaugurating and facilitating the taking of films for public exhibition, acting as a clearing house of information passing between the many departments of the Government, and the taking over of wartime censorship from the Defence Department.

Gullett established a central office of the new department in Melbourne and by 18th October had obtained approval of Cabinet for a scheme of organisation. The main feature was the formation of State Information Consultative Councils, in the organising of which the Minister had already obtained assurances of support from newspapers and various organisations, and the services on loan of the managing director of *The West Australian,*

Mr C. P. Smith.[5] During November a series of meetings in state capitals was held in a general atmosphere of enthusiasm and a large variety of organisations enlisted to give voluntary public service through the Department of Information.

The fact that the formation of these consultative councils and of committees associated with them was the major public achievement of the department during 1939 indicates the way in which Cabinet viewed the need of the country. In the Cabinet agendum for which he obtained approval on 18th October, Gullett said that the purposes for which the department had been established were:

"(a) Constantly to increase and sustain the faith of the Australian people in the cause for which we are engaged in war;

(b) To promote the interest and thought calculated to support the Government in the necessary recruiting, the raising of money, the acceptance of the inevitable taxation and its activities generally; and

(c) To distribute sound facts upon all phases of the war direct and indirect through every kind of available channel."

He conceived the duties of the small headquarters staff which he had established to be to initiate and prepare matter for publication in various forms and places, although the aid of outside writers and publicists would be arranged. Honorary councils would be established as an immediate channel for the distribution of information. As the councils would be composed of representatives of various organisations, religious, social, industrial, commercial and sporting, as well as representatives of the press, radio and the cinema, it was believed that by this means "a constant and most searching penetration" would be obtained.

With the drive and enthusiasm of Smith, the councils were quickly established, with an executive officer of the department in each State to assist them, and literally thousands of Australians in all walks of life were brought into touch with the aims and achievements of the Australian war effort in association with Britain and the other Dominions. There can be little question that during the opening months of the war the Honorary Councils were an influential factor in acquainting thousands who had hitherto given little attention to affairs overseas with the causes and nature of the conflict.

A second phase of the department's activities was related to the directing of Australian propaganda overseas. The Cabinet decision on 18th October had approved of the principle of short-wave broadcasts from Australia and in announcing the decision Gullett had said that Australia had "angles on this war and special interests involved, particularly with respect to its position between the Indian and Pacific Oceans", which should be placed constantly and accurately before radio listeners of the world and particularly those dwelling around those two oceans. Eventually,

[5] C. P. Smith. (War Correspondent with AIF 1914-16.) With *Argus* (Melbourne) 1911-27; Managing Editor *The West Australian* 1927-51; b. Dundas, Canada, 3 Oct 1879.

towards the end of February 1940, a short-wave broadcasting division of the department was established, although an overseas short-wave service from Sydney had already been in operation since the beginning of the year. A third phase of the department's activities concerned censorship, which has been referred to separately.[6]

A report prepared for the Minister on the first six months' activities to 31st March 1940 shows a considerable distribution of material to the press, the formation of 93 group committees embracing 852 organisations in the various States, and proposals to form an additional 30 groups representing about 300 organisations, short-wave transmissions for eight hours a day in five languages to Europe, North America, India, South America, Asia and South Africa, and the establishment of a Cinema Branch which was the body providing facilities for the newsreel companies and making available to them material taken by its own official photographers. Already, however, the department had entered the thickets of criticism that surrounded it throughout the war. In the press it was alleged to be superfluous, overstaffed and clumsy in its methods. In Parliament nearly every reference made to the Department of Information was a hostile one and unfriendly questions, particularly from the Opposition, were frequent. Labour itself persisted in regarding the department as simply a tool of the Government and most trade unions refused to take any part in the work of the Honorary Councils although invited to do so. Meanwhile, Gullett continued with his preparation for a greater war effort, his attempts to show Australians their vital interest in the conflict and his meetings and committees to give a congenial outlet for the patriotic for whom no other service could at that time be found.

7—THE TROUBLES OF THE GOVERNMENT

The attempt of the Government during the first six months of war to shape a decision regarding Australian participation and to organise the national war effort was made in circumstances which hindered concentration on the major issue. Reference has already been made to the importance which various sections of the people gave to those questions which directly affected their own livelihood. It would have been easier for any government to put on one side the major question of waging the war than to neglect for one week these attendant issues. The Government had also been beset by two other questions which in normal times would alone have been enough to trouble a ministry.

First, there was the reconstruction of the Ministry itself. The Cabinet was composed wholly of U.A.P. members, dependent on Country Party support in Parliament. The declaration of war gave a greater assurance of Country Party support in wartime measures but also increased the claim for the Country Party to share in government. Following the attack by Page on Menzies in April 1939, four members of the Country Party—

[6] See page 181 above.

Messrs. Corser,[7] Fadden,[8] Collins[9] and Badman[1]—showed their disapproval of their leader by ceasing to attend party meetings, leaving fourteen members under the leadership of Page.

Shortly after the outbreak of war, negotiations to form a coalition government were opened between the U.A.P. and Country Party but failed, the main point of disagreement being that Menzies wanted the right to choose the ministers himself and the Country Party wanted to make its own nominations to Cabinet. The impediment lay, of course, in the direct personal attack which Page had made on Menzies, questioning his fitness to lead the country, and in the belief that a majority of the Country Party at least, by their adherence to their leader, had condoned or perhaps even endorsed the attack. During the course of the negotiations Page announced that, as his continued leadership of the party might impede the formation of a coalition government he had convened a special meeting of the party at which, with his resignation before members, the future of the leadership would be discussed. This meeting, which contemporary reports described as stormy, led to the election by seven votes to five of Mr Archie Cameron,[2] the candidate favoured by Page, over Mr John McEwen.[3] The four breakaway members, who had publicly declared themselves in favour of accepting the invitation from Menzies, were excluded from the vote. The meeting which elected Cameron also carried a resolution regretting that it could not regard the Prime Minister's proposals for bringing Country Party members into the Cabinet as fulfilling the essential condition of "full mutual agreement between the leaders of both parties". In a subsequent broadcast, Cameron insisted that the matter should be regarded as one of negotiation between equals.

The last offer of Menzies had been that, while not prepared to have in the Cabinet any minister not selected by himself and not prepared to make any bargains as to numbers, he of course assumed that there would be some discussion between the Country Party leader and himself in relation to names but that he would have to make the ultimate decision himself. On 15th September after receiving from the Country Party what he described as a unanimous rejection of his proposal, Menzies said that the whole question was closed and the Federal Ministry would continue as at present. On the same day he announced the formation of a War Cabinet.

The course of the negotiations had probably more marked effects on the Country Party than on the Ministry. Apart from the change of leadership,

[7] B. H. Corser, MLA Qld 1912-28; MHR 1928-54.

[8] Rt Hon Sir Arthur Fadden, KCMG. MHR since 1936; Min for Air 1940; Treasurer 1940-41 and since 1949; Prime Minister Aug-Oct 1941. Chartered Accountant; of Townsville and Brisbane; b. Ingham, Qld, 13 Apr 1895.

[9] Hon T. J. Collins, MHR 1931-43; Asst Min i/c Territories and Asst Min for Interior 1940-41; Postmaster-General 1941. Stock and Station Agent; of Young, NSW; b. Yass, NSW, 6 Apr 1886. Died 15 Apr 1945.

[1] A. O. Badman. Senator 1932-37; MHR 1937-43. Wheat Farmer; of Yacka, SA; b. Greenwich Hill, Yacka, 18 Dec 1885.

[2] Hon A. G. Cameron. (1st AIF: 27 Bn 1916-19.) Maj Intell Corps 1942-44. MHA, SA, 1927-34. MHR since 1934. PMG 1938-39; Min for Commerce and the Navy 1940; Speaker since 1949. Farmer; of Loxton and Oakbank, SA; b. Happy Valley, SA, 22 Mar 1895.

[3] Rt Hon J. McEwen. MHR since 1934; Min for Interior 1937-39, Ext Affrs 1940, Air and Civil Aviation 1940-41, Commerce 1949-56, Trade since 1956. Of Stanhope, Vic; b. Chiltern, Vic, 29 Mar 1900.

by which an astute veteran had yielded place to an outspoken and emphatic individualist, the division between its two groups had been temporarily sharpened. Within a week McEwen was protesting publicly against an attack Cameron made in the House against those, including several members of the Country Party, who had voted with the U.A.P. and Labour Party in favour of Blackburn's amendment of the *Defence Act* to liberalise conditions for conscientious objectors, and in the same Committee Fadden "thanked goodness" for the independence of himself and Messrs. Corser, Collins and Badman and, before being called to order for irrelevance, went on record that they had been "excluded from opportunity to bring about constitutional changes in the leadership of the party".[4]

On 26th January 1940 Casey, Minister for Supply and Development, resigned his seat consequent on his selection for the first senior diplomatic post which Australia had established—Minister to the United States of America. A minor reshuffle filled the Cabinet vacancy. In the by-election for Corio, a mixed Victorian electorate which Casey had held by a comfortable majority since 1931, when he turned a Labour majority of 6,000 into a U.A.P. majority of 10,000, the U.A.P. candidate, J. T. V. Smith, was defeated by more than 3,000 votes by the Labour candidate, J. J. Dedman,[5] who had previously contested the seat against Casey and was well known in the district. Dedman could be regarded as a strong candidate for Labour, while Casey had enjoyed a stronger personal following than any new U.A.P. man could hope to claim. The U.A.P. conducted a campaign full of blunders and, furthermore, the sequence of by-elections in Wilmot and Griffith had indicated that a periodical swing, favouring Labour, was in progress.

During the currency of the Corio by-election campaign a feeling unfavourable to the Government had developed around the decision to begin the manufacture of motor-cars in Australia, the granting of a virtual monopoly to Australian Consolidated Industries and the resignation from office of the Minister for Trade and Customs, Mr J. N. Lawson, on 23rd February, after publication in the press of arrangements he had entered into for the leasing of a racehorse from W. J. Smith,[6] the managing director of the company. The Prime Minister described the transaction as only a "foolish blunder", but the electoral effect of even a suggestion that favours had been accepted from "big business" was damaging to the Ministry.

The Prime Minister took over Lawson's portfolio himself temporarily and a fortnight later, in the week that the Corio results were known, brought to a head further negotiations for a coalition by writing to Cameron on 7th March making the following offer:

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[4] *Commonwealth Debates*, Vol 161, pp. 948 and 952.

[5] Hon J. J. Dedman. (British and Indian armies 1914-22). MHR 1940-49; Min for War Organisn of Industry 1941-45; Post-War Reconstn 1945-49; Defence 1946-49. Of Geelong, Vic; b. Newton Stewart, Scotland, 2 Jun 1896.

[6] W. J. Smith. Director of Gun Ammunition, Dept Munitions 1940-42. Company Director; of Sydney; b. England 1882.

I am prepared to appoint five members of the Country Party to the Cabinet, three of them to have full portfolios and two to be Ministers without portfolios. Yourself, as leader of the Country Party, will be number two in the Cabinet.

As the Government is pledged to submit its agreement with A.C.I. to establish a motor-car industry in Australia to Parliament for its approval and as your party has already expressed its opposition to the scheme, I am willing to depart from the usual Cabinet practice and agree that on this matter Cabinet Ministers shall be free to vote as individuals.

Each member of the Cabinet must in the last resort be actually appointed upon the nomination of the Prime Minister but I can say without reserve that I would consult with you on the question of personnel, because I realise that if we can mutually agree upon names such agreement would be the best guarantee of satisfactory and continuous cooperation.

As it is only by the support and loyalty of private members that a Government can carry on and as co-operation in the Cabinet should unquestionably be accompanied by co-operation in the electorates, I propose that you and I should each agree to give support at an election to those members who support the Government, whether they are U.A.P. or U.C.P.

The last paragraph contains a reason perhaps more persuasive than any other for recognising the urgency of concluding arrangements for a coalition. Without the warning of Corio, the Government must have known that it would have to achieve a working arrangement between non-Labour parties before the next general election, which was due in six months' time.

Following the acceptance of the offer, the Ministry was reconstructed on 14th March. Cameron, Thorby and Nock[7] were brought in from the Page group and McEwen and Fadden from the other group of the Country Party. By cancelling the reshuffling of portfolios which had been necessitated by the resignations of Casey and Lawson, it was only necessary to ask three men—Harrison, Perkins and Holt—to make way for them. In the change Spender was promoted from Acting Treasurer to Treasurer. Cameron was given the portfolios of Commerce, perquisite of the primary-producing interest, and the Navy.

The second major problem lying apart from the war effort and demanding attention from the Government was a strike in the New South Wales coalfields in the early months of 1940. The strike began on 11th March. The subject matter of the dispute concerned the hours of surface workers on which the Full Arbitration Court had delivered an award. In its occasion the stoppage was an objection by the unions to this award but behind that objection there was, on the part of the miners, a feeling that benefits which they had been led to anticipate and which they saw as the deserved results of the terms of settlement of an earlier stoppage in 1938 were being withheld by the legal subtleties of the mine-owners, while on the side of authority there was an equally strong feeling that the machinery and processes of the industrial arbitration system must be upheld. Even at the time of an industrial dispute it is seldom easy to define with exactness the causes of a strike for some of them are buried deep in the bitter memories of men. At a distance it is almost impossible to recapitulate the rights

[7] Hon H. K. Nock. MHR 1931-40; Asst Min External Territories 1939-40. Farmer and sheep breeder. B. Salisbury, SA, 26 Oct 1879.



Argus (Melbourne)

R. G. Menzies and A. G. Cameron, leading figures in the proposals for a composite Ministry. Melbourne, 8th March 1940.



Argus (*Melbourne*)

Commonwealth-State cooperation in the National War Effort. Conference on 13th July 1940 at Victoria Barracks, Melbourne. L. to R.: The Premier of Western Australia, the Hon. J. C. Willcock; the Premier of New South Wales, the Hon. A. Mair; the Premier of Queensland, the Hon. W. Forgan Smith; the Prime Minister, the Rt. Hon. R. G. Menzies, K.C.; the Premier of South Australia, the Hon. T. Playford; the Premier of Victoria, the Hon. A. A. Dunstan; and the Premier of Tasmania, the Hon. R. Cosgrove.

and wrongs and it is not germane to our task to attempt to do so. The significance of recurrent strikes in a history of war is to be found in the effect they had on the industrial war effort, on the unity of the people and on the administration by distracting its attention from other tasks; and it is also to be found in an enquiry whether, in the urgency of war the situation was handled in a way conforming to the traditional principles of Australian democracy.

The strike of early 1940 lasted for sixty-seven days until the middle of May. During the whole of that period, which coincided in its final weeks with growing peril from the enemy and a demand for accelerated munitions production, much of the time and energy of the Prime Minister, the Leader of the Opposition and parliamentary representatives of mining constituencies, particularly the member for Hunter, "Rowley" James, were devoted to the coal strike. Conferences, negotiations, parliamentary business, administrative detail were all added to by the fact of the strike. It had its dramatic days. On one occasion in April the Prime Minister went to the coalfields to meet the miners and speak to them directly and when his own meeting was boycotted he sought them out at their meeting on a football ground and engaged in a debate of one against eight—an unusual picture of the reputedly aloof barrister facing up to a crowd of strikers, giving back thrust for thrust with interjectors and meeting the personal attacks on his own reputation with calm logic and good humour; a picture, too, of the great crowd of Australians who, when their union leaders on the platform wished to "gag" the Prime Minister, voted overwhelmingly to "give him a go".

The talking persuaded nobody. The gist of the Prime Minister's case was that, arbitration being the law of the country, the Court must not be interfered with or circumvented. Let the men return to work and apply to the Court for a variation of the award. Curtin, too, was urging the workers to follow this advice, although he did not carry his personal advocacy into the coalfields as Menzies had done.

Finally on 14th May, the Government made a call for volunteers to reopen the mines. Two days later, after further conferences, the strike ended and an agreement was signed by the union representatives undertaking, during the war, to abide by the awards of the Court in respect of any industrial dispute and to resort to the industrial machinery provided by the law. Work was to be resumed immediately, free labour was to be withdrawn and the Court was to call a conference of the parties.[8]

Menzies took the occasion to urge reconsideration by the trade union movement of its attitude towards the suggestion which had been made by the Government for two years past, to form a Trade Union Advisory Panel to advise the Government on industrial matters and to make representations to it regarding difficulties experienced by the unions. Curtin, pronouncing strongly for conciliation and stressing the need for coopera-

[8] For terms of agreement see *Commonwealth Debates*, Vol 163, p. 912.

tion and understanding on the part of employers, promised to ask the trade unions to review the matter.

Throughout this period the Menzies Government, having a majority in Parliament, constitutionally had considerable power. It could have dictated, prohibited, confiscated, suppressed and called up within the limits only of that elastic phrase "the prosecution of the war". It did not do so. It is doubtful if it would have been practical politics for any government to use such powers until the community at large admitted the necessity of using them. The major limit set on the prosecution of the war in the first six months was set by the unwillingness of a democratic government to advance very far beyond the will of the people and its inability to rouse them during a time of confusion and no readily perceptible danger.

In the first six months of the war, neither government nor people had succeeded in finding the full answer to that first great question which only Australia could decide and which her autonomous status and national responsibility required her to decide: in what way and to what extent would Australia take part in the war?

Forces had been raised and the first flight of one division sent abroad to complete its training; five destroyers of the Royal Australian Navy were in the Mediterranean with the Royal Navy; airmen were to be trained; the Government was busy building a wartime organisation. A War Cabinet and Economic Cabinet had been formed to give promptness and concentration in the business of conducting the war and new departments, agencies and committees had been created for special wartime tasks.[9]

Controls were being applied, financial measures taken and an economic policy shaped with the intention both of maintaining the strength of the nation to meet an emergency and of minimising or avoiding the ill consequences of war for the community and for the individual. It was still not wholly clear, however, where, when and how the strength of the nation would be used. So far as there were any indications of what the nation might do, her troops appeared likely to man a front in the Middle East or perhaps fight again in France; her ships seemed likely to be engaged wherever required in helping to keep the sea lanes open; her airmen were being trained to join airmen from other Dominions and Britain to strike ultimately against the heart of Germany; and her produce was available as a general contribution to Allied strength. As a reserve measure, home defence was being watched in case a change in the course of events should give Japan an opportunity to move southward. Australia was not yet waging war in the full sense of the term.

Such clarity as the picture had, however, was the result of the interpretation placed on events by the Government rather than of complete agreement of the nation. There was unity among the major parties on being at war; there was still a difference in their interpretation of events and Australia's role. Curtin, while speaking guardedly and commending the Government for the "very considerable attention" they had given to the

[9] For discussion of the machinery of wartime government see Chapter 11 below.

home defence organisation, particularly on the munitions and production side, clearly would have preferred to see the A.I.F. nearer home and a concentration of the main Australian forces at focal points in the north of Australia. Ward who was winning his special place in the Opposition because he was never guarded in what he said, declared that the men who advocated sending troops from Australia in the existing circumstances, were "either consciously or unconsciously guilty of a traitorous act".[1]

As the European spring approached and speculation revived as to where Germany might strike next, more Australians began to ask what would happen to the Netherlands Indies if Holland were invaded. The Government itself, on the information before it, was less fearful about the Pacific because it was more confident about the outcome in Europe and more hopeful of the deterrent effect of American diplomacy on Japan. The Governor-General's speech, delivered at the opening of the Second Session of the Fifteenth Parliament on 17th April 1940, when the invasion of Norway was in progress, described the situation as grave but found no occasion in that event to modify Australian defence plans or the raising of expeditionary forces. A statement on international relations made to the House by the newly-appointed Minister for External Affairs, McEwen, two days later, noted the possibility of an early invasion of the Low Countries. He also referred to a statement made by the Japanese Foreign Minister in the previous week that Japan could not but be deeply concerned by any development of the European War affecting the *status quo* of the Netherlands East Indies but he also noted with "gratification" the subsequent declaration of the United States that intervention in the domestic affairs of the Netherlands East Indies or alteration in its *status quo* by other than peaceful means would be prejudicial to the cause of stability, peace and security in the entire Pacific area.[2] Furthermore he expressed confidence in the ability of the Allies to meet any German attack in the West and also to liberate Norway. In fact, he thought the German invasion of Norway might prove to be a blunder for them and, in order to avoid complete disaster, they would have to struggle hard to maintain their communications. Italy was leaning more towards Germany but there were no recent indications of "any deeper Russo-German complicity" and it appeared that the Soviet was tending once more to draw aloof from Europe. With the Finnish war over there was "no strong reason at present to suppose that Russia is contemplating any further adventure which would bring it into conflict with Allied interests". There was greater stability in the Middle East where the A.I.F. was training.[3]

The varying shades of importance given to expeditionary forces and home defence, to the Middle East and the Far East, to fighting or producing, indicate that opinion in Australia rested on a variety of guesses at what the enemy would do next or what new enemies might appear. The

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[1] *Commonwealth Debates*, Vol 163, pp. 125-126, 209, 296, Apr 1940.

[2] For the full text of statement by the United States Secretary of State see *Peace and War, United States Foreign Policy 1931-41* (2 Edn 1943), Document 149, 17 Apr 1940.

[3] *Commonwealth Debates*, Vol 163, pp. 203-208.

objection in principle to expeditionary forces was still a major influence with some members of the Opposition; the refusal to contemplate Russia as an enemy in any circumstances influenced a minority; eagerness to fight and to rally to the Empire shaped the impetuous loyalty of another group and removed any element of calculation from their view of the war. But, by and large, if at the end of six months the nation was still not sure what it would do in the war, it was because it was not sure what the enemy would do. Perhaps even more dangerous for a democracy than losing the military initiative is the consequential loss of mental initiative.

CHAPTER 5

THE DANGER IN EUROPE, APRIL-SEPTEMBER 1940

1—THE WATCHWORD IS "ALL-IN"

ON 9th April 1940, Germany invaded Denmark and Norway. People repeated Mr Chamberlain's statement of the previous week, "Hitler has missed the bus" and added jokingly "so he took a taxi". They were not dismayed. Here was action again and a chance to beat the Germans. At the second Battle of Narvik on the 13th the British Navy sank seven German destroyers with traditional gallantry and dash. The Admiralty drew a picture of German communications beset by minefields. From the 15th to the 19th British troops landed at Narvik, Namsos and Andalsnes. Officially the people were encouraged to hope that Germany was running into disaster. Hitler had once again shown to the world his villainy and the falsity of his professions of peace but he would be taught his lesson.

The war began to take on a welcome simplicity again. The confusions about northern Europe which had been bred in the Finnish war had remained after the signing of the Russo-Finnish peace in Moscow on 12th March, and for the past month there had been tangled accounts of attempts to form an alliance between Sweden, Norway and Finland, and the opposition to such an alliance by the Soviet Union. Earlier objections by Norway and Sweden to the transit through their territory of Allied aid to Finland had been disclosed. Arguments about Scandinavian neutrality occupied the air. All these arguments fell away when the German armies moved. Here was plain aggression to be resisted. Surely Germany had only added to her enemies and had rendered less likely the possibility of being supported by Russia. There was plain news of fighting after stale months of waiting.

The Germans conquered. Within four weeks it was clear that Norway would be lost. Then on 10th May, Germany invaded the Low Countries.

Again, the Australian populace seems at first to have been unperturbed. The defeat in Norway was the result, so people said, of the fact that the Norwegians had been such sticklers for neutrality as to hamper preparations to withstand the German attack and the invaders had also been aided by traitors. In their move against the Netherlands and Belgium, to quote a Minister, the Germans now had before them "a very different proposition from their lightning campaign in Norway".[1]

The news that, in Britain, Chamberlain had given place to Churchill was taken less as an indication of a serious state of affairs than as a ground for confidence in more determined Allied action.

The rapid German advance through Holland and Belgium into France checked optimism but, day after day, there was still some one or other in Europe to be reported in the newspapers as saying something or other

[1] *Commonwealth Debates*, Vol 163, p. 739.

that sounded very knowing and very hopeful. This time the Germans would overreach themselves. The news that the British Expeditionary Force was cut off from the coast came almost before the public had realised that the campaign was going so badly. There was a moment of shock and apprehension. The news of the evacuation of 330,000 British, French and Belgian troops from Dunkirk was read as a great deliverance and the dramatic emphasis of that news, both at the first time of telling and in the embellishments of subsequent days, was on the almost miraculous lifting of an army from destruction, so that the defeat of the Allied forces was submerged in the story of a great military achievement. The stirring narrative of Dunkirk, when riveted home with the hammer strokes of Churchill's words—"we shall fight on the beaches . . . we shall fight in the fields . . . we shall never surrender"—armoured the nation in new resolution. Seldom has a major reversal of arms proved so heartening to the defeated.

Italy declared war on 10th June. France asked for an armistice on the 17th and signed it on the 21st. On 10th July the first large-scale air attack on Britain was launched. Churchill's words when invasion was awaited—". . . let us therefore brace ourselves to our duties, and so bear ourselves that, if the British Empire and its Commonwealth last for a thousand years, men will still say: 'This was their finest hour' "—were heard in the farthest corners of the farthest continent and men were proud that their parents had been British-born. They took to their own hearts words that had been spoken to their kin overseas offering blood and toil and tears and sweat—and victory in a great cause.

Apart from the emotional effect, the fall of France and the attacks on Britain had other far-reaching consequences in Australia. A Western front manned by Britain and France had hitherto been the centre of the war's pattern. Around an impregnable Maginot Line had grown up an Allied way of thinking. In Australia one of the major assumptions on which the war effort had been discussed had been that Germany would be held in the West and that Australia would support the Western front with materials and perhaps men, and that through this front and with the aid of the concerted air power of the Empire, the victorious blow would eventually be struck after the enemy had been reduced by the blockade and the Allies had built up their armed strength. Now the land front in the West had disappeared; the Allied naval forces had been greatly reduced; the Mediterranean had become a hazardous sea; Germany had gained Atlantic ports and with them a better chance of evading the blockade and of carrying aggression against Allied convoys; the British Isles, core of resistance to a conquering Germany, had lost arms and equipment in France, was under attack, in daily prospect of invasion and discomfited by under-water and over-water raids on her shipping. Uncertainties in the Middle East had been further complicated by Vichy rule in Syria, while the countries of south-eastern Europe, where anti-Axis diplomacy had hinged on Anglo-French guarantees, were either seeking friendship with Germany or were disturbed by great fear of German attack. Italian entry into the war had brought an enemy into North Africa

on the borders of Egypt, and into East Africa; Britain, now depending on her own fleet alone, was left with Gibraltar and Malta, marking the way to Alexandria and the Suez Canal as lonely rocks in a hostile sea. Palestine and Egypt were no longer a convenient stage half-way to or from Europe but outposts, not a barrier against the Axis so much as an exposed and precarious position to be defended. In the Far East and Pacific, off the shores of Australia, Dutch and French colonies were without the military aid of their metropolitan power, while Australia and New Zealand themselves must now look soberly to the fact that they would not be able to rely so surely on effective help from overseas should war threaten their territory.

For Australia the nature of the war had changed. This was early realised by the Government and, before the popular clamour for action had begun, the readjustment and accelerating of the war effort were under discussion.

On Saturday, 11th May, the day after German troops crossed the frontiers of Holland, Belgium and Luxembourg, the Prime Minister called the Chiefs of Staff into special conference with himself and the Service ministers to examine any possible effect these events would have immediately on Australian defence measures and, on the Monday morning, the whole situation was discussed by War Cabinet. The Ministers for Navy, Army, Air, and Supply and Development were asked to prepare recommendations for increasing the Australian war effort such as by raising and training more men and by expanding the munitions and supply programmes. The Minister for Supply and Development was instructed to co-opt the services of Mr Essington Lewis, Chairman of the Advisory Panel on Industrial Organisation, and Chairman of the Defence Board of Business Administration, and of Sir Walter Massy-Greene,[2] Chairman of the Treasury Finance Committee.

By the next week-end the Germans had advanced into French territory. Mr Menzies was spending this week-end in Canberra in readiness for the meeting of Parliament and, as the news of further Allied reverses came during Saturday and Sunday to the Prime Minister's Lodge, he took stock of the whole position and, deciding that the turning point of the war had come, proceeded to prepare further urgent measures. After discussions and negotiations on Monday he met War Cabinet on Tuesday, 21st May, and told his colleagues that, in his opinion, the whole war situation had changed and that from that point onwards Australia would have to start to run the war in a totally different way. Anything they had managed to achieve so far could be regarded only as a small fraction of what they must aim to achieve in the future. No longer could Australia depend on obtaining help from Great Britain, either in munitions or otherwise and, indeed, might have to be ready to send help to Britain. From this moment they must seek an all-in war effort. There would have to be a totally new approach to the question of munitions. During the week-end he had

[2] Hon Sir Walter Massy-Greene, KCMG. MHR 1910-23; Senator 1923-38; Min for Trade and Customs 1919-21; Defence and Health 1921-23; Asst Treasurer 1932-33. Company Director, of Sydney; b. Wimbledon, Eng, 6 Nov 1874. Died 16 Nov 1952.

telephoned to Essington Lewis asking him to come to Canberra that morning; he proposed to appoint him Director-General of Munitions with extensive powers. Service ministers were to go away and consult with their experts and to come back with demands for all they needed on the assumption that the war would last for three years, and those demands would be the first orders for Lewis to consider. Money would be forthcoming. There was a similar need to adopt a new attitude in regard to the whole attitude of the nation and to that end he had also arranged to appoint as Director-General of Information the man whom he had been told was the most accomplished publicist in Australia, Sir Keith Murdoch.[3] Thirdly, it was urgently necessary to undertake a vigorous recruiting campaign for the army.

War Cabinet gave its approval to the Prime Minister's proposals and on the following day the new measures were announced to Parliament. In his statement to the House of Representatives, delivered immediately after the members had been called to order at 3 p.m. on the 22nd, the Prime Minister said:

> We must be prepared to sink all differences. We must be prepared to match the enemy's courage with greater courage; his equipment with better equipment; his self-sacrificing organisation with better organisation; his will to victory with a greater will to victory—greater because it has its roots in honest soil and is nourished by a good cause.

He announced several new war measures. First, closer cooperation with the States would be sought with a view to more effective cooperation in the field of defence and better mobilisation of financial, including borrowing, resources for the winning of the war. Second, drastic changes in the munitions organisation to secure greater acceleration of the production programme. First-class business men, accustomed to securing production on a large scale, would be called in as responsible controllers and executive officers, and the new Director-General of Munitions Supply would be free from all hampering regulations and given the utmost authority not only to get things done with the existing government machinery, but to press into service civil factories or all or any of the mechanical resources of those factories. "That this may well constitute a wholesale invasion of the settled routine of industrial production, I have no doubt," said Menzies. "It is preferable to a wholesale invasion of the British Empire and of Australia in particular."

Third, another division of the A.I.F. would be raised for service abroad.

Fourth, a special army recruiting organisation would be established under the central direction of Brigadier-General Lloyd[4] and local authorities were asked to cooperate with him.

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[3] Sir Keith Murdoch. Managing Director to 1949 of *Herald, Sun News-Pictorial* and associated publications; from 1942 Ch of Directors Herald and Weekly Times Ltd. Of Toorak, Vic; b. Camberwell, Vic, 12 Aug 1886. Died 4 Oct 1952.

[4] Maj-Gen H. W. Lloyd, CB, CMG, CVO, DSO. Comd 12 FA Bde 1918; 5th and 1st Div Art 1918-19; GOC 2 Div 1940-43; D-G of Recruiting 1940 and 1941; Administered comd Second Army 1943-46; MLA NSW 1929-30, 1932-41; of Darling Point, NSW; b. South Yarra, Vic, 24 Nov 1883.

Fifth, a number of naval measures would be taken as a contribution to the Empire naval strength. These included decisions that the Royal Australian Navy would man ten local defence vessels being constructed in Australia for the Admiralty, would also man new destroyers, and provide anti-submarine officers and ratings for service in the Royal Navy, the total contribution of additional Australian personnel being 1,790.

Sixth, it had been decided to put in hand at the earliest possible moment the construction of a graving dock for capital ships at Sydney at a cost of approximately £3,000,000.

Seventh, the Government would seek to confer with the Australasian Council of Trade Unions with a view to the constitution of a thoroughly representative trade unions advisory panel whose assistance might secure the avoidance of unnecessary industrial disputes.

Eighth, the Prime Minister assured Parliament of the Government's continuance with the Empire Air Scheme without delay and informed them of its urgent communications to secure the delivery of aircraft for the purpose of the scheme.[5]

Apart from the measures announced, the Government had also decided on 14th May to send 35,000,000 rounds of small arms ammunition to the United Kingdom out of the existing Australian reserve of 90,000,000 rounds,[6] and on the 28th May they decided to release to the United Kingdom Government the forty-nine Hudson aircraft which Australia had on order from the United States, subject to a reservation that if, at a later stage of production, other aircraft could be made available, they should be allocated to Australia in replacement. At the same time an Australian squadron of Hudson aircraft was despatched to Singapore to replace a Royal Air Force Blenheim squadron and make it available for service elsewhere.[7] Both these measures, in effect, delayed the strengthening of Australian home defences in the interests of meeting the British emergency after Dunkirk. It was also agreed that the cruisers *Ceres* and *Colombo,* which were in Singapore, and destined for the Australian station, need not now come to Australian waters but could be used elsewhere to the best advantage. Later in June it was decided to make available an armed merchant cruiser and two sloops to the United Kingdom Government for service on the East Indian station and to send a second squadron of Hudsons and one squadron of Wirraways to Singapore to relieve R.A.F. units.[8]

Parliament adjourned on 31st May before the full course of the German victories in Europe had become known and the announcement of the fall of Paris and the entry of Italy into the war was made by Menzies on 16th June in a national broadcast calling for "all-round sacrifice, unremitting toil and unflinching devotion" in more challenging terms than he had previously used. "Great Britain, facing the threat of invasion, facing the

[5] *Commonwealth Debates,* Vol 163, pp. 1082-87.
[6] War Cabinet Minute 277.
[7] War Cabinet Minute 289.
[8] War Cabinet Minute 360, 25 Jun 1940.

certainty of bombardment in the air, facing the possibility of an armed invasion of her shores, has once more, in ringing tones, pledged herself, and everything that she has, to the liberation of France and the destruction of German tyranny. On your behalf I have given a similar pledge." The national effort, he continued, must be the effort of all and he described the main demands as "manpower and munitions". After referring to the provision made for local defence, he spoke of the problem of munitions as the key problem and said that the Government had been urgently re-examining the industrial resources of Australia with a view to having them more and more effectively marshalled for the war effort. On the previous day regulations had been made to enable the Director-General of Munitions to requisition or compulsorily acquire any property which he thought necessary for a maximum munitions effort. The financial resources of the country would be strained if necessary to the point of financial collapse, for financial exhaustion was preferable to national destruction. The limitations of the existing law, however, prevented a full and equal industrial regimentation of Australian resources of skilled and semi-skilled and unskilled manpower. To avoid any waste of skill and effort there must be power to employ men to the best advantage for war industry just as there was already power to employ industries and enterprises to the best advantage. The Government therefore was calling Parliament together to consider a Bill to remove all limits from the recourse which the Government might have to any of the national resources. Partly by virtue of this new Bill and partly by virtue of powers which it had been exercising for a long time past, the Government would then have unlimited power to tax, to take property and to direct employers and employees what to do and to call up and train manpower for the defence of Australia. The only limit would be that there would be no conscription for overseas service. In the exercising of these vast powers the Government would welcome the fullest cooperation from everybody. In particular it invited the cooperation of the trade union movement.

This is not a time when any of us must look for advantages (the Prime Minister continued). We are an integral, proud and British community, and to preserve those attributes must practice a community of sacrifice. I have never yet met an Australian, whatever his religious faith, whatever his political colour, whatever his share of the world's goods, who was not prepared to do his part in a time of emergency provided he felt that everybody else was doing his part also. So tonight I want to say to you as your servant and on behalf of those who are your servants at this fateful hour, the watchword is "All In"—everything that we have, our savings, our property, our skill, the service of our hands, if necessary the service of our lives, for the country that we love.

2—THE RAISING OF FORCES

The changed war situation and the adjustment in the Australian war effort made it necessary for the Government to reconsider questions relating to the employment of the A.I.F. and the home defence of Australia and, in doing this, it also had to make a new assessment of the position in the Middle East and in the Far East.

At the end of April, when German success in Norway heightened the prospect that Italy would enter the war, the second and third convoys of the A.I.F. were en route to the Middle East, the second being in the Indian Ocean and the third on the Australian coast. In a cablegram on 30th April, the United Kingdom Government suggested that the best course would be to divert these two contingents to the United Kingdom as it was considered undesirable to pass convoys through the Red Sea, and, if war broke out with Italy, there might be difficulty in equipping troops in the Middle East from United Kingdom supplies.

Before considering this suggestion, the War Cabinet once again asked for an appreciation of the war situation both from the United Kingdom Chiefs of Staff and from the Australian Chiefs of Staff, and, pending the receipt of these appreciations, decided that the second convoy should be held at Colombo when it arrived there and that the third convoy should not go beyond Fremantle.[9]

The Government was deeply concerned at the prospect of splitting the 6th Division into two parts, one in Palestine and one in the United Kingdom. It wanted the Second A.I.F. to fight as a single unified force under its own commander, and had communicated this view to the United Kingdom Government as one of the principles to govern its service overseas.[1] To maintain this principle, as well as for administrative convenience, the Australian Government wished to keep the 6th Division together, and it was also thought that the wide dispersal of the troops would prejudice any Australian decision as to the theatre in which the A.I.F. should serve.

The appreciation furnished by the United Kingdom Chiefs of Staff in response to the Australian request of 1st May suggested that, if Italy entered the war, the first aim of the Allies in the Middle East and Mediterranean would be to ensure the security of Allied shipping and, in addition, there might be local offensives by the French into Libya and by the Allied forces into Abyssinia. The Balkan situation would depend upon what Italy

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[9] War Cabinet Minutes 256 and 257, 1 May 1940.

[1] Questions relating to the control and administration of the A.I.F. are dealt with in Volume I of the army series. The principles on which the Second A.I.F. was offered for service abroad were officially summarised as follows:

"(a) The Australian Imperial Force to be recognised as an Australian Force under its own Commander, who will have a direct responsibility to the Commonwealth Government, with the right to communicate direct with that Government. No part of the Force to be detached or employed apart from the main Force without his consent.

"Questions of policy regarding the employment of the Force to be decided by the United Kingdom and Commonwealth Governments, in consultation; except that, in an emergency, the Commander, Australian Imperial Force, may at his discretion take a decision on such a question, informing the Commonwealth Government that he is so doing.

"(b) The Australian Imperial Force to be under the operational control of the Commander-in-Chief of the theatre in which it is serving.

"(c) Administration of supply services, and such other questions as are amenable to the adoption of a common system, to be controlled by the Commander-in-Chief of the Force in which the Australian Imperial Force is serving—subject to a financial adjustment between the respective Governments concerning the cost of such administration incurred by the British Government.

"(d) All major financial questions arising from services abroad of the A.I.F. to be reserved for direct discussion between Commonwealth and United Kingdom Governments.

"(e) Administration of Second Australian Imperial Force domestic matters to be prerogative of the General Officer Commanding the Second Australian Imperial Force, subject to general control by the Minister for the Army."

(Cablegram No. 91 was despatched to the Dominions Office on 9 Mar 1940, setting out these principles and asking for the approval of the United Kingdom Government, which was furnished in Dominions Office cablegram No. 85 of 26 Mar 1940.)

and Germany did. Russian intervention against the Allies was now considered unlikely as the whole tendency of Russian policy was to avoid being drawn into a major war after their experience in Finland. In the Far East it was considered that Japan's ultimate policy would be determined by the outcome of the war in the west and, in the meantime, Japan remained very heavily committed in China and in fear of American policy. Her early intervention was therefore unlikely and the Chiefs of Staff considered the possibility of a direct attack on Australia and New Zealand as "very remote".

"The intention has always been," the British Chiefs of Staff continued, "that Australian and New Zealand contingents when fully equipped should be employed according to the demands of the strategic situation. The most likely theatres are the Near East and France." After discussing various possibilities it was recommended that, in the present circumstances, diversion was unnecessary and the convoys should continue to the Middle East. The situation was being watched from day to day and if diversion became necessary, diversion to the United Kingdom was recommended.

The observations of the Australian Chiefs of Staff on the cablegrams from London added nothing to this opinion.[2]

With these appreciations before it, War Cabinet agreed on 8th May that the convoys should adhere to their programmes, after the giving of instructions to ensure their security in either eventuality. War Cabinet also noted with concern the statements in the British cablegrams about the prospective difficulties of equipping troops in the Middle East if war with Italy were to break out and decided to urge the utmost expedition in fully equipping Australian troops. They also stressed the importance, should diversion of convoys become necessary, of reconstituting the whole expeditionary force at the earliest possible date and underlined the assurances they had obtained from the United Kingdom that this would be done.

In making these decisions on the matter at issue, War Cabinet decided to request the United Kingdom Government to furnish a comprehensive appreciation of the war situation to enable the Government to be fully informed on the higher strategical direction of the war, and noted the "almost entire cessation of documentation of this kind". Regular advice was also to be sought regarding the strength and disposition of Allied forces and those of the enemy in various theatres.[3]

Another British suggestion was made on 15th May for the diversion of the third convoy to the United Kingdom "in view of the Italian situation". Again the Australian Chiefs of Staff supported the British view. Such a move, however, was still objectionable to War Cabinet because of its probable effect of splitting the Australian forces. Therefore, as a temporary expedient, the War Cabinet suggested that enquiries be made into the possibility of allowing the troops to complete their training either in the north-west of India or in South Africa until their final destination was known. It was learnt, however, that neither the equipment nor the

[2] War Cabinet Agendum 96/1940 and War Cabinet Agendum 97/1940.
[3] War Cabinet Minute 262, 8 May 1940.

accommodation was likely to be available in these places and, on 19th May, the Australian Government agreed to the recommendation to divert the third convoy to Great Britain.[4] By that time the Dutch Army had capitulated; the British Expeditionary Force was withdrawing west of Brussels and the Germans had invaded France.

Although the greater part of the 6th Division had been assembled in Palestine, it was there, for the time being, for the purpose of further training and that it might be in readiness for further moves. The official decision regarding its theatre of employment had not yet been made. At a meeting of the War Cabinet on 4th June the Chief of the General Staff, General White,[5] raised this subject and outlined four possible alternatives:

(a) Its retention in the Near East for use in the event of hostilities to the north of Palestine.
(b) Its transfer to Egypt for the defence of that area.
(c) Its transfer to Marseilles without delay for the completion of its training and equipment, for use in France.
(d) Its embarkation from the Near East and transfer to the United Kingdom, via the Cape.

The Chief of Staff strongly favoured the third alternative as he considered the Germans would make their next effort against the French Army and it was of great military and psychological importance to have Australian soldiers in France.

This suggestion was made two days after the completion of the British evacuation from Dunkirk, and on the day before the Germans opened the final phase of the Battle of France.[6]

The War Cabinet did not accept White's view, but decided to press again for additional information from the United Kingdom in order to make a full strategical appreciation. Once again they agreed to stress to the United Kingdom the importance of reconstituting the whole expeditionary force on the earliest possible date and to remind the United Kingdom of its assurances that this would be done. At the same time War Cabinet decided that General Blamey should go to Palestine to be with the major part of the A.I.F.[7]

As it turned out, events decided what use was to be made of the A.I.F. Up to this point the discussion of its employment, even including the latest concrete proposal favoured by White, had been largely academic for, apart from obscurity in the situation and the indefiniteness of the information before War Cabinet, the 6th Division was still far from being in a state of training and equipment which would enable any government

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[4] Cablegram 230 from Australia to the Secretary of State for the Dominions 19 May 1940, confirmed by War Cabinet in Minute 290, 28 May.

[5] Gen Sir Brudenell White, KCB, KCMG, KCVO, DSO. BGGS Aust Corps 1915-18; MGGS Fifth Army 1918; CGS AMF 1920-23, 1940. Chairman C'wealth Public Service Bd 1923-28; of Melbourne; b. St. Arnaud, Vic, 23 Sep 1876. Killed in aircraft accident 13 Aug 1940.

[6] It was Churchill's view immediately after Dunkirk that the B.E.F. in France "must be immediately reconstituted" and he gave first priority to sending "whatever trained and equipped troops we had" into France for that purpose. Three new divisions, including the Canadian division, were sent into France after this date. See W. S. Churchill, *The Second World War*, Vol II, pp. 123, 127 and 130 (Australian edition, 1949).

[7] War Cabinet Minute 296, 4 Jun 1940.

to take the responsibility for putting it into the field except in a dire emergency. What the War Cabinet had done had been to raise an expeditionary force, settle the question of its command, and approve of its despatch to the Middle East in order that it might undergo further training and on the assurance that its equipment would be completed from the United Kingdom. The original choice of the Middle East was apparently due to the strategical interest of Australia in maintaining communications through the Red Sea[8] and partly in response to the representations by the United Kingdom Government that a force undergoing training there would relieve Britain of some of the necessity for diverting British troops to that quarter and would also place the A.I.F. in readiness at a convenient place at a time when the main military operations were certain to be in Europe. As the weeks passed it became more and more clearly apparent that the theatre of action as well as the training ground was likely to be in the Middle East.

At the time of the fall of France, the greater part of the 6th Division was in Palestine, the 7th Division was in training in Australia and the 8th was being formed. Recruitment was no difficulty. As early as 25th June the War Cabinet was informed that the recruits offering already exceeded the requirements of the 7th and 8th Divisions and corps troops, including first reinforcements, and on 11th July it was considered necessary by the War Cabinet to put a temporary limitation on enlistments in the A.I.F. and stabilise its strength at 80,000 in order to preserve a balance between A.I.F. and militia, to facilitate its training and equipment, and to check the withdrawal of men from industry.[9] Equipment, however, was a major difficulty and the fact that none of the divisions was properly equipped and, indeed, could not be fully equipped to the latest standards solely from Australian production, was a major factor in all discussion regarding the organisation and employment of the A.I.F. At this stage, too, equipment difficulties strongly influenced any choice between service overseas and home defence. It was considered that it would be foolish to send ill-equipped forces overseas unless there were a clear prospect of completing their equipment; and that it would be equally foolish to equip forces overseas at the expense of the slender reserves essential for home defence and for training in Australia.

Parallel with the raising of a third division for the second A.I.F. the Government decided to raise a larger home defence force. This decision was taken on 16th June, after the collapse of France, at a full meeting of the Cabinet at which military policy generally was considered. The

[8] Contemporary documents usually speak of maintaining communications as a strategical interest, possibly because that was a traditional phrase regarding the Middle East, dating from the time when Imperial cooperation in defence, depending on communications between the various parts of the Empire, was laid down as a basic principle of Australian security. Furthermore, during the period when the Maginot Line was still intact, a large part of Australian interest and activity in the war was foreseen as the shipping of food and materials to Europe. In the changed circumstances after June 1940, however, the strategical interest might have been more fully and exactly described as denying a European enemy access to the Indian Ocean, maintaining Allied access to south-eastern Europe and Asia Minor; assisting the Allied blockade of Central Europe; and protecting Allied sources of supply in the Middle East. See also above Chapter 4, page 172.

[9] War Cabinet Minute 413, 11 Jul 1940.

policy was declared by the Cabinet to be the raising, training and equipping of a home defence force of 250,000 men which, in round figures, was the number contemplated for general mobilisation. Of this number, it was assumed that between 30,000 and 40,000 would at any given time comprise those members of the A.I.F. who were under training in Australia.

At the time this decision was taken the strength of the militia had fallen to 60,500, chiefly as the result of enlistment of its members in the A.I.F., and it was proposed to find an additional 140,000 men by calling up four more quotas under the *Defence Act* (75,000 men), by voluntary enlistment (30,000), by calling up the Militia Reserve and by increasing the garrison battalions formed by returned soldiers of the first world war.[1] In the event, the call-up and voluntary enlistment for the militia yielded 29,000 short of requirements and there were also steady losses from the militia by enlistment in the A.I.F. At the end of the year it was found necessary to call up further age groups.

The home defence forces, except the A.I.F. and garrison units, were not permanently under arms. The details of the scheme, as announced in mid-July, provided for the calling up, first of 40,000 men (more than half of them officers and N.C.O's already on establishment) for an eighteen-day period devoted to the training of additional officers, N.C.O's and specialists; then the calling up of two successive groups of universal trainees for three months' continuous training each.

Although the policy decision by the Cabinet on 16th June had included directions to expand camp accommodation and training, the lack of facilities and equipment precluded the training of the whole 250,000 home defence forces at once, and such other conditions as seasonal civilian employment were taken into account in deferring the calling up of some of the universal trainees; but, apart from these limitations, it is doubtful whether the Government or its military advisers saw the needs of home defence at that time in such a way as to make it necessary to maintain so large a force permanently encamped in Australia.

The views held by the military advisers were brought out clearly during a War Cabinet discussion on 18th June regarding the situation in the Far East consequent on the fall of France, and particularly whether Australia could do anything to keep Japan out of New Caledonia. Reference was made to the possibility of the invasion of Australia by Japan and it was asked whether Darwin and Port Moresby should be reinforced. The Chief of the Naval Staff said that the defence of the northern part of Australia hinged on a battle fleet based at Singapore and, if this did not exist, the situation became radically changed. The Chief of the General Staff expressed the opinion that Japan's attack would be against British naval forces and bases and, with their defeat and capture, Japan would bring the Commonwealth to terms by the exercise of sea power alone, without the need for invasion. When the question was raised as to the scale

[1] Full Cabinet Minute 24, in War Cabinet series, 16 Jun 1940.

of attack against which preparations were being made by the Services it was stated by White that, initially, the provision of munitions was being based on what had been known before the war as the minor scale of attack (that is raids and landings but not invasion) plus the requirements of the A.I.F.[2]

So far as this view of the situation was accepted, it meant that home defence merged into the defence of Singapore. Hold Singapore and maintain sufficient naval, military and air forces in or near Australia to deal with raids and sporadic landings, and home defence would be complete. Such a policy at once raised the question how much Australia was prepared to do to keep Singapore strong.

Great Britain was anxious to strengthen the land and air defences of Malaya. In their view the maintenance of their interests in the Far East and the control of communications in the south-west Pacific depended on the basing of an adequate fleet in Singapore but their ability to attain this objective had been seriously impaired by the fall of France. Great Britain, without the aid of the French fleet, could not watch both the German and Italian fleets in European waters and also send a fleet to the Far East. Yet Singapore must be held and, in changed circumstances of war and with signs of Japanese penetration southward, the British took the view that the danger to Singapore was one of enemy attack by land and air from Indo-China and Thailand as well as by sea, and it was therefore necessary to strengthen the defences of the whole Malayan peninsula. In a telegram of 28th June, commenting on an Australian request of a fortnight earlier for advice on the new situation, the United Kingdom Government set out this view and asked the Australian Government if it could move a division to Malaya at once, equipped as fully as possible from the Australian militia pool of equipment. It was realised that such troops could not be equipped up to modern standards but on the other hand it was not thought this would be necessary as it was unlikely that the Japanese would be able to bring mechanised troops with the latest form of equipment to attack them. If a whole division was not immediately available it was suggested that brigade groups might be moved up as they became ready. Employment in Malaya, for the time being at any rate, would be in the best interests of the Empire.

On this request the Australian Chiefs of Staff reported that the equipment position was such that to send the 7th Division from Australia equipped on even a modest scale would seriously hamper training of the remainder of the A.I.F. and the equipment of home defence forces, and impede the equipment of the 6th Division, to which the Cabinet had given priority. On this advice the War Cabinet decided that the division requested by the United Kingdom could not be despatched to Malaya.[3]

In informing Great Britain of its decision the Government drew attention to the related urgent need of completing the equipment of the 6th

[2] War Cabinet Minute 345, 18 Jun 1940.
[3] War Cabinet Minute 394, 3 Jul 1940.

Division and deciding on its theatre of employment. In reaching this decision War Cabinet had considered and rejected the alternative possibility of transferring the 6th Division from the Middle East to Malaya. As mentioned earlier it had despatched two Hudson squadrons and a Wirraway squadron as a contribution to the air defence of Singapore.

The position was again considered on the 9th, when the War Cabinet had before it an appreciation on the Middle East situation by the United Kingdom Chiefs of Staff, forwarded in response to an earlier request by the Australian Government. It was considered necessary to hold the British position in the Middle East for the sake of the successful prosecution of the war—for example by maintaining a blockade of Europe, protecting oil supplies from the Anglo-Iranian fields, and making secure the Red Sea route. For the present, policy in the Middle East must be generally defensive and the possibility of a serious threat by a German attack on Egypt from Libya was recognised. This called for increased defences but for the time being the whole situation was governed by the probability of an early large-scale air offensive and even invasion of the British Isles and the shortage of equipment to meet such an attack. Britain would therefore have to concentrate her immediate efforts on the defence of the United Kingdom and would not be able to start sending more equipment to the Middle East until the situation over Britain could be judged more clearly.

Britain's difficulty was different only in scale from Australia's difficulty. Although the danger of immediate attack by Japan on Australia was not considered to be as acute as the danger of attack by Germany on the British Isles, the general position was that, if further troops were sent overseas from Australia and had to be equipped from Australia, the limited resources for home defence would be depleted. Meanwhile the 6th Division, which had been moved to the Middle East in the expectation that the remainder of its arms and equipment would come from Britain, was still under-equipped. The most that the Australian Chiefs of Staff could recommend was that the 7th Division might be gradually moved from Australia to India, one brigade group at a time, possibly releasing a fully-equipped Indian division for Malaya. In the meantime it was essential to complete the equipment of the 6th Division to the best scale possible from Australian resources.[4]

The War Cabinet, recognising that a decision on what more could be done either in the Middle East or Malaya depended on its appreciation of the situation in the Far East deferred a decision until it received the information necessary for that purpose.[5]

Pending the making of that appreciation, however, it was decided later in the month that, for the support of the 6th Division, plans should proceed for the despatch of 6,000 troops and certain equipment to the Middle

[4] War Cabinet Agendum 156/1940, Supplement No. 1, 8 Jul 1940.
[5] War Cabinet Minute 398, 9 Jul 1940.

East late in August, the United Kingdom giving an assurance that other necessary equipment would be ready for them on arrival.[6]

The appreciation of the Far Eastern situation which the Australian Government had requested in June was received early in August. This appreciation was accompanied by an explicit assurance by Churchill, on the authority of the British Cabinet, that if Japan "set about invading Australia or New Zealand on a large scale" Britain would cut her losses in the Mediterranean and proceed to their aid, sacrificing every interest except only the defence position of Great Britain. It is clear from the War Cabinet papers that this assurance was the foundation on which the recommendations to Cabinet and its consideration of them were based.

The Australian Chiefs of Staff, in a report dated 23rd August, reached the conclusion that, in view of the assurance given by the British Prime Minister, the dominant factor in regard to the defence of Australia was still the security of the naval base at Singapore and its availability for use by the main fleet. Strategically this area now became, so far as Australia was concerned, of greater ultimate importance than the Middle East. The security of Singapore, in turn, depended on the defence of the whole of Malaya and the denial to Japan of air bases in Indo-China and Thailand and air and naval bases in the Netherlands East Indies. The Australian Chiefs of Staff, now modifying the previously accepted basis of planning, did not fully agree with the British opinion that the scale of attack on Australia or New Zealand would be limited to raids and seaborne air attacks against ports but thought that if there were a heavier attack it was most likely to come after the Japanese had gained possession of the Netherlands East Indies and after Singapore had either been captured or reduced to comparative impotence by the absence of the British (or American) main fleet. The defence of Singapore thus remained of primary importance inasmuch as it provided the base for the operations of the main fleet and this in turn governed the strength of the forces which the Japanese would have to despatch to carry out a successful invasion of Australia. After a review of Australian resources the Chiefs of Staff agreed that no further naval or air contribution could be made by Australia to the defence of Singapore. They recommended, however, that a force consisting of the 7th Division A.I.F. (less the 26th Infantry Brigade and attached troops)[7] and such corps troops and auxiliary units as were necessary for the maintenance of the force should be despatched to India or Malaya as soon as practicable after the end of September or mid-October respectively. The remainder of the 7th Division should be prepared to follow as soon after December 1940 as possible.[8]

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[6] War Cabinet Minutes 426, 23 Jul and 442, 2 Aug 1940. See also G. Long, *To Benghazi* (in the army series).

[7] As a result of diversion of troops to England and reorganisation of the 6th Division in Palestine one brigade regarded for some months as part of the 7th Division was in England. In July it had been decided to no longer regard this brigade as part of that division but to raise a new brigade in Australia. Formation of this brigade began only in July and consequently it was three months behind the other two.

[8] War Cabinet Agendum 186/1940, 23 Aug 1940.

The War Cabinet considered this recommendation at a meeting on 28th August and decided to inform the United Kingdom Government that it realised that considerations of training and equipment precluded the despatch of the 7th Division to the Middle East at present, although the intention was ultimately to concentrate the Australian Army Corps there. The War Cabinet would prefer that the division should go to India to complete its training and equipment and to relieve for service in Malaya troops who were better equipped and acclimatised. The wider scope for training in India, the climate, and a less circumscribed role than that of garrison duties were considered to be more compatible to the "psychology" of the Australian soldier than conditions in Malaya. It was realised, however, that there were other considerations, including difficulty of transport and, therefore, if the United Kingdom still wanted the 7th Division in Malaya, after weighing Australian views, the War Cabinet was agreeable to sending it there.[9] From a subsequent note it would appear that the intention was that the 7th Division should not stay in Malaya indefinitely but for a term.[1]

There was clearly no enthusiasm for sending troops to Singapore. The decision in respect of the 7th Division had been made unwillingly on a British request. When they talked of expeditionary forces the hearts as well as the minds of the Government were in the Middle East. Just as earlier in the war, the Government had given priority to expeditionary forces over home defence, so once again, as the first anxiety over possible Japanese attack began to pass away, they turned from narrow thoughts of Australian security in the Far East to the overall state of the war and the contribution they might make to the Allied cause, not in sitting down in Malaya to await a prospective foe, but in withstanding an actual enemy in Europe. It was an application of the pre-war thesis that the British Commonwealth as a whole must be maintained or its parts would perish separately. In such thinking, too, they were prompted by the presence in the Middle East of the spearhead and the commander of an Australian Army Corps, perhaps of an Australian Army. The A.I.F. and Blamey had their own persuasions in favour of the Middle East.

A week after the rather grudging acquiescence in the request to send a division to Singapore and before any answer had been received from London, a cablegram was sent to the United Kingdom Government expressing the strong feeling of the Australian Government that the whole Empire position would be endangered should our forces be driven from the Middle East and control lost in the Mediterranean. The message ended: "We cannot stress too strongly the importance we attach to the holding of this area and urge that a maximum effort should be made there compatible with the safety of the United Kingdom."

After taking these views into account and reviewing the situation, the United Kingdom replied that the major immediate threat to the Empire,

[9] War Cabinet Minute 459, 28 Aug 1940.

[1] War Cabinet Minute 507, 16 Sep 1940.

outside the United Kingdom, was in the Middle East and, after balancing the risks between the Middle East and Far East, the United Kingdom considered that the needs of the situation would be best met if the 7th Division, equipped from local Australian resources on a modified scale, were sent direct to the Middle East, where it could complete its training more quickly than in Malaya. The War Cabinet readily approved this new proposal, at the same time re-emphasising the importance of fully equipping the A.I.F. as early as possible.[2]

On the same day the War Cabinet, giving practical application to its views on the importance of holding the Middle East, decided to form a fourth division of the A.I.F. (the 9th Division) with the intention that it, too, should serve in the Middle East. The intention was to create in the Middle East an army corps of four divisions with corps troops. The contingent of A.I.F. troops which had been diverted to the United Kingdom were to form the nucleus of the 9th Division, the strength of the 6th having already been made up. Reinforcements already existing in Australia would be sent abroad to complete the division and organised as units in the Middle East. Units of corps troops already formed in Australia would also be sent abroad.[3]

Because of the part played by Australian forces in preventing Axis success in the Middle East, and because of the eventual overthrowing of Singapore by a Japanese landward attack, the decisions of September 1940 were of exceptional significance and are likely to be a matter of speculation and controversy in Australian history. The essential quality of the decision at the time it was made is to be found in the fact that Germany and Italy were the actual and existent enemies; to resist them and to retain the possibility of victory against them it was thought essential to hold the Middle East gateway as well as the Atlantic gateways to Central Europe and to maintain Allied oil supplies. For this immediate end the Australian Government took a chance in respect of the prospective enmity of Japan, inasmuch as it neither reinforced Singapore nor greatly strengthened its home defence forces.

In reaching this decision the Government had not been neglectful of the possible aid that diplomacy might give in the Far East, nor of the importance of trying to ensure the goodwill and aid of both the Netherlands and the United States of America and to ameliorate relations with Japan. By reason of the events in Europe the Netherlands was now an ally and thus one obstacle to closer cooperation had been partly overcome, but the United States was still a neutral and her policy in the Far East was cautious, self-dependent and sometimes puzzling. The opinion of the Australian Department of External Affairs in a submission of 9th July was that every indication pointed to the conclusion that the United States would not come into war if Japan attacked Australia.[4]

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[2] War Cabinet Minute 523 and Agendum 186/1940 Supplement No. 1, 23 Sep 1940.

[3] War Cabinet Minute 524.

[4] War Cabinet Agendum 162/1940.

The Hull declaration of 17th April regarding the Netherlands Indies[5] was considered to have had a salutary effect and, on the fall of France, the Commonwealth Government, after considering the effect on French New Caledonia, and recognising the insufficiency of Australian sea power to check Japan if she chose to step in, suggested to the United Kingdom Government that the United States might exercise the same deterrent effect against intervention in the French colonies as in the Dutch colonies.[6] Subsequently Australia was informed that the United States had been requested to make a declaration that it would not tolerate any alteration in the *status quo* in the Far East and Pacific but did not feel that it could go beyond the declaration made by Hull regarding the Netherlands Indies. Better results might be obtained from immediate United States diplomatic activity in Tokyo.[7] At the same time, the Australian Minister in Washington, Mr Casey, in conjunction with the British Ambassador, made further representations to the Secretary of State on the valuable restraint the United States might exercise on Japan. Hull was of the opinion that the United States had done and was doing "everything possible short of a serious risk of actual military hostilities to keep the Japanese situation stabilised . . . ."[8] Officially, at this time, Australia hoped, but found little to encourage confidence, that the United States would keep war from the Pacific or could be depended upon as an ally when war came.

With the Netherlands Indies Australia saw identity of interest but was cautious about formal commitment. There was a similarity between the Australian attitudes to her nearest neighbour and the American attitude towards Australia.

Early in August, the United Kingdom Government, in discussing the whole Far Eastern situation, posited that the British Commonwealth would go to war with Japan if she attacked the Netherlands Indies and the Dutch resisted. The Australian Government replied that Australia was fully conscious of the effect of the occupation of the islands on the strategic position of Australia and felt that, almost inevitably, should such a move eventuate, Australia would find herself at war with Japan.

> Nevertheless (the War Cabinet decision continues), because of the military position in the United Kingdom and the Middle East and the attitude of the United States of America, it is the opinion of War Cabinet that we should not enter into a binding unilateral obligation to go to the assistance of the Dutch if Japan attacks the Netherlands East Indies. It is considered that the Empire's policy should be to take a realistic view of such an act of aggression in the light of our military position at the time. It is to be suggested that, if the United Kingdom Government concurs in this course, the views of the Empire should be put to the United States Government with a suggestion for the adoption of a similar realistic attitude in the event of the contingency arising.[9]

As regards the French possessions, the general objective, first stated by the United Kingdom and concurred in by Australia, was to stimulate

[5] See above, Chapter 4, p. 209.
[6] War Cabinet Minute 345, 18 Jun 1940.
[7] War Cabinet Minute 365, 25 Jun 1940.
[8] See *Peace and War, United States Foreign Policy 1931-41* (2 Edn 1943), Document 174, 28 Jun 1940.
[9] War Cabinet Minute 459, 28 Aug 1940.

continued resistance on the part of the French colonial forces. As a first move the Australian Government decided at the end of June to make representations to the French authorities in New Caledonia and the New Hebrides that Australia would be glad to enter into discussions with them on trade relations. Thus the economy of the country might be supported by purchasing their products (which incidentally included nickel and chromium, valuable for the Allies and worth keeping away from Japan) and by supplying the necessities hitherto obtained from France. As a first measure the Commonwealth Government arranged to purchase a considerable quantity of nickel matte to keep the industry going. Menzies also took the occasion of the passage of a resolution of the Conseil-Général of New Caledonia in favour of continuing the war, to send a courteous message and an offer to appoint a representative to Noumea to consult with the Administration on the colony's difficulties. The offer was accepted and the Commonwealth appointed to the post Mr B. C. Ballard,[1] a Melbourne solicitor, who since 1934 had been acting for Australian interests in the New Hebrides. Ballard took up his post as official Commonwealth representative on 23rd August 1940.

During the discussion of New Caledonia by War Cabinet, the idea of making an attempt to occupy French territory to forestall Japan had been raised and rejected, among other reasons because such action might provide Japan with a pretext to take similar action elsewhere and because of the limits of British and Australian resources.

In all these questions Australia, knowing the diminished power of the British Commonwealth in the East and with trouble enough on her hands, was acutely aware of the great superiority of the Japanese in sea power. In diplomacy her policy was one of trying to tiptoe past the danger, and, in such a mood, hope for the best dimmed some of the uglier portents for the future.

The course of Japanese policy certainly gave ground for concern. On 19th June the Japanese Government presented Great Britain with demands for the withdrawal of the Shanghai garrison, the closing of the Hong Kong frontier and the closing of the Burma frontier. Australia readily concurred in the British tactic of temporising for the simple reasons that the military advisers' submissions to the Government spoke of the "impossibility" of facing war with Japan and the doubt whether any British capital ships could be sent to Singapore, while the External Affairs Department's advice was that support from the United States was unlikely. The Australian Government also concurred for similar reasons in the agreement signed on 17th July to suspend for three months the transport to China over the Burma Road of arms, ammunition, petrol, trucks and railway materials.

Japan, after having obtained on 20th June the stoppage of the transport of war materials through Indo-China, then presented further demands on

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[1] B. C. Ballard. Aust Official Repve in New Caledonia 1940-44; Aust Political Obsvr in Japan 1945-46; Aust Consul-Gen Batavia 1947; Counsellor Embassy Paris 1947-48, Moscow 1948-50; Minister to Thailand 1952-55. B. Melbourne, 22 Jan 1903.

the Vichyite government of the colony and, by the consequent agreement in September, obtained the use of three air bases in northern Indo-China and the right to station 6,000 troops there.

On 27th September, Japan signed a pact of mutual cooperation with Germany and Italy, recognising their leadership in Europe in return for their recognition of Japan's leadership in "Greater East Asia". The three parties also undertook to assist one another with all political, economic and military means if one of them should be attacked by a power not already involved in the European war or in the Sino-Japanese conflict. Nothing in the pact was to affect in any way the political status existing between each of the three contracting parties and the U.S.S.R., with whom Germany had concluded a non-aggression pact in August 1939, and with whom Japan, after an agreement on the outer Mongolian and Manchurian frontiers in August, was now understood to be seeking friendlier relations. In July Prince Konoye had become Prime Minister and in September he outlined his Government's aims for "a New Order in Greater East Asia".

Since January 1940 the appointment of an Australian Minister to Tokyo had been under consideration and on 19th June the War Cabinet expressed the view that immediate steps should be taken to arrange the exchange before the international situation deteriorated further. Formal steps were immediately taken and the appointment of Sir John Latham[2] was announced on 18th August. He arrived in Tokyo on the 20th December and presented his credentials on the 24th. The appointment was the action of a government that still fervently hoped for peace with Japan and believed in the possibility. The War Cabinet's estimation of the effect of the Axis pact is indicated by the fact that when the question was raised whether the conclusion of the pact affected the local defence position so as to require the retention of the 7th Division in Australia or alter its destination, it was decided that the original decision should stand and the army should proceed with the embarkation of the division for the Middle East.[3]

3—MANPOWER AND MUNITIONS

Throughout the discussion of the military side of the Australian war effort, shortages of equipment, munitions and materials set the chief limit on what Australia could do. Shortages were not due solely to the limitations of Australian industry and production. Great Britain and the United States of America too were experiencing on a larger scale the same difficulty of speedily converting an unprepared nation to wartime production. To a considerable extent Australian difficulties were due to the inability of those countries to supply aircraft, ships, modern weapons, vehicles and machines. Australia could do nothing on her own part to increase supplies from overseas and, indeed, recognising the extremity of Britain after

[2] Rt Hon Sir John Latham, GCMG. Lt-Cdr RANR 1917-20; MHR 1922-34; Att-Gen 1925-29, 1931-34; Min for Industry 1928-29, 1932-34, Ext Affrs 1932-34; Leader Aust Mission to East 1934; Chief Justice High Ct of Aust 1935-52; Aust Minister to Japan 1940-41; b. Ascot Vale, Vic, 25 Aug 1877.

[3] War Cabinet Minute 543, 1 Oct 1940.

Dunkirk, had agreed to the diversion of some of her own orders of aircraft from the United States to Great Britain.

As already indicated, attempts were made by the complete reorganisation of munitions production in Australia to expand Australia's own production. The charter given to Lewis as Director-General of Munitions was unique in Australian administrative practice. As approved by War Cabinet on 6th June, after consultation with Lewis, the charter was publicly announced by the Prime Minister in the following terms:

> In order to give Mr Essington Lewis the greatest possible degree of authority, subject only to the policy and approval of the War Cabinet and to Ministerial direction from myself, there will be established a Department of Munitions, with myself as Minister and Mr Lewis as Director-General. Mr Lewis will have access to the War Cabinet, in the same way as the Chiefs of Staff, on matters which relate to his work.
>
> This new Department of Munitions will deal with all ordnance, small arms, explosives and ammunition, together with such ancillary matters as gas masks, and will have a supervisory jurisdiction over aircraft supply. It will also include related materials.
>
> The Director-General will be given a complete power of delegating authority. He will be a member of the Defence Committee. Through his Minister he will have the right of initiating matters for consideration by the War Cabinet. The new department will, as far as possible, use the existing machinery of the Supply Department, including the Contracts Board.
>
> Instead of securing specific approvals from time to time, one of the earliest duties of the new Director-General will be to confer with the other members of the Defence Committee in an endeavour to formulate a series of objectives which it is desirable to achieve during some prescribed period. If these objectives are then approved by the War Cabinet, the mandate to the Director-General will be a perfectly simple one. It will be: Go ahead in your own way and achieve these objectives in the shortest possible time.
>
> With each objective there will be stated an approximate estimate of its cost and when this has been approved, it will not be necessary for the Director-General to secure preliminary financial authority for the carrying out of any intermediate step. He will have attached to him a Treasury officer who can keep the Treasury informed as to the progress and prospects of expenditure.
>
> Having regard to the fact that particularly in the early stages, all sorts of general expenditures may have to be hurriedly incurred, the Director-General will be given a general spending authority independent of preliminary authorizations (on lines similar to those of the Treasurer's Advance) of up to, say £250,000.
>
> We will take power by regulation, to the extent to which it does not already exist, to requisition all private resources of plant and equipment. The Director-General will be authorised to make purchases direct without tenders or circumlocution. A standing order will be issued by the Government that no factory may provide for any new tooling-up without authority . . . . The Director-General will not be limited by Public Service regulations or otherwise in regard to the employment of personnel.

Announcing later that the organisation had been completed by the appointment of eight directors to be associated with Lewis, the Prime Minister declared: "The constant watchwords will be 'speed', 'volume' and 'efficiency'. The new department will be backed by the full authority of the Government and by the full resources and information. With this backing and with the services of the most notable collection of men ever gathered into one industrial and productive organisation in the history of

Australia, we will proceed to do our utmost to make our country not only able to defend herself but also able to contribute powerfully to the defences of the whole British world".

Looking into the future, the Government estimated that the total of 15,200 workers engaged in munitions production at 30th June 1940 would grow in twelve months to about 80,000 employed in munitions factories and annexes and another 70,000 engaged on the production of materials for munitions. Already the Government claimed with pride the establishment of an aircraft industry and the production of the Wirraway fighter-trainer, and progress towards producing the two-engined Beaufort bomber; and the authorising of capital expenditure of more than £14,000,000 for new Government factories and extensions of existing factories as well as the establishment of twenty-five munitions annexes in private industry, while the rate of production of shells, bombs, depth charges and small arms ammunitions, had increased many times over, fourfold in the case of small arms ammunition and twenty-five times greater in the case of bombs. On this foundation huge increases of output and the undertaking of the production of weapons not previously produced were confidently anticipated.[4]

This programme was recognised as raising special problems of manpower, both in regard to the recruiting and training of workmen and their diversion from one industry to another, and problems of industrial relations.[5]

The relationship between the needs of munitions, the needs of essential industry and the needs of the armed services also had to be worked out more realistically than hitherto. From the beginning of the war there had been a Manpower Committee administering a List of Reserved Occupations. It had also received from the National Register Board a preliminary survey of registered males classified in ages, occupations and other qualities and had been able to furnish more or less accurate guesses about what manpower was available. Henceforward, however, the question of direction of labour and the claims of various phases of the war effort would have to be considered more carefully and with every increase in control there would be increased responsibility for welfare; any attempt at direction would have to be preceded by measures to ensure understanding and cooperation. This could not be reduced to a question of discovering, training and supplying men where they were wanted. It was not a matter affecting machines but political human beings; it did not handle raw materials but men with ideas embedded deep in the strata of social custom, industrial practice and human rights and liberties.

With the acceleration of the war effort it was realised, perhaps a little tardily, how precious and sensitive an asset men and women are to the nation. Statistically, the position at 30th June 1940 was that since the

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[4] For full discussion of the foundation and expansion of the Munitions Industry see D. P. Mellor, *The Role of Science and Industry*, and S. J. Butlin, *War Economy*, in this series.

[5] See also chapter 10 of the present volume. For full discussion of manpower see S. J. Butlin, *War Economy*, in this series.

beginning of the war 121,230 men had enlisted in the fighting services (A.I.F., 89,556; R.A.A.F., 23,674; Navy, 8,000) and about 15,200 persons were directly engaged in munitions production. In the coming year it might be expected that enlistments would be doubled and that 150,000 persons would be wanted for munitions and associated industries.

In the commencement the Government saw principally the need for ensuring a labour supply and sought power to maintain that supply. When the urgent and overriding need was munitions that approach was natural. At the same time Ministers knew from experience that labour could be lost through disputes and the Government took steps to mitigate any such losses and to ensure smooth working through cooperation with the trade unions.

The control of labour was acquired by an amendment to the *National Security Act* introducing a new section (13a) giving to the Government the power to control both the property and the services of all Australians for the defence of Australia, but maintaining the proviso of the original Act against the imposition of any form of compulsory service beyond the limits of Australia.

> First of all (said Menzies, in introducing the Bill in Parliament), we ask for unlimited recourse to the property of this country, both real and personal, of every kind, not merely money, but any property which this Government may require to take and to use for the purpose of carrying on this work of making munitions and establishing defensive posts . . . . Then we ask for leave to deal with persons themselves. We have under the *Defence Act* extensive powers for the training of the manpower of Australia . . . . We are not setting artificial limits to the number of men we will train in Australia but, whatever limits we may state, there is a sharp limit of fact set to the number of people who can be converted into a first-class modern fighting army, and that limit is set by our capacity to equip them with modern arms . . . . We must take every power so to order, so to command and direct the factories of Australia, those who operate and those who work in factories in Australia, that we may, in the shortest possible time, produce the greatest possible supplies of armaments, ammunition, mechanical transport, and all those things which the modern army requires, if it is to fight with success.

At the same time, the Prime Minister went on, although the Government was asking Parliament to give it powers of compulsion, it wanted cooperation. The power might be compulsive, but the method must be cooperative. He promised that the Government would not ask any section of the community to bear a burden more intolerable than that which other sections had to bear.

This unprecedented Bill was supported by the Opposition. "In the history of every country," Curtin said, "there is reached, probably, the stage when only one consideration must be taken into account, a consideration which rises paramount over every other aspect of the life of the country; that is, the consideration of assuring the safety of the country against an imminent danger." He added that, to place the country on a war footing and to ensure to the fighting services the utmost equipment and the most efficient weapons that the country could provide, Australia had a practical problem which could be resolved only by hard

work and industrial organisation. The masses of the people of Australia, whatever might be their social objectives, their political ideals and ideas, felt that the country belonged to them as much as to any other class and that its future involved more for them than for any other class. The workers of Australia had to defend not only those things which they had achieved in the past, but those objectives they had in mind and had not yet been able to achieve. In supporting the Bill, Curtin added, Labour knew that its proposals amounted substantially to making the Executive of the Australian nation the equivalent of an absolute government of Australia, but it felt that the Government of Australia was composed of men who were responsible to the Australian nation and who would have to account to the Australian nation for their stewardship. The members of the Government would be morally restrained by the judgment of the Australian people with respect to the way in which the powers now sought would be exercised. The Labour Party felt, in respect of trade union standards and awards, and the rights which trade unions and the workers had in Australia that, while an Australian government governed Australia, those rights would be respected. The Prime Minister's declaration to the House constituted a covenant, between the Government and the people of Australia, and he had not the least doubt that if ever the time came when the Government felt that it must act contrary to the wishes of trade unionists it would bring to Parliament at least the merits of the disputation so that Parliament could deal with it. Parliament, although giving over to the Executive this absolute authority, must not abdicate its rights to have a periodical account of what the Government was doing.

To this remark the Prime Minister interjected: "Hear, hear".

A little later Curtin added to the "moral restraint" of the people of Australia on any government by drawing attention to the restraint also set by the fact that every Australian government "derives its existence from the people of Australia" and was limited in the length to which it would go by the conditions of its own political selection.[6]

Not all the members of the Opposition, however, were prepared to follow their leader, and nine voted against the second reading.[7] The arguments of those who spoke against the Bill varied from distrust of the Government and the employers and the unqualified assertion that the trade unions opposed the Bill, to the objection on principle to coercion.

In Committee, Curtin sought to add a proviso that variations of industrial standards would not be made without prior consultation with the trade union of the craft or industry affected by the proposed variation. But while Menzies reiterated that he wanted cooperation and stood by his promise that "to the fullest degree practicable" he and the Government would engage in consultation, he said that, solely on the grounds of practicability, he could not agree to being tied to the terms of the amend-

[6] *Commonwealth Debates*, Vol 164, pp. 14 and 23.

[7] The "noes" were Beasley, Blackburn, Brennan, Maloney, Mulcahy, Sheehan, Ward, Gander and Rosevear. On the third reading they were joined by Pollard, who had voted in favour of the second reading.

ment and it was rejected in a party vote by thirty-six votes against thirty-three. The Bill passed all remaining stages.

Later in the session the Beasley group in the Labour Party initiated a motion for the disallowance of certain regulations made under the Act, but the Government had the numbers to defeat this move. Curtin was able to justify his support for disallowance, not by endorsing the arguments used by Beasley, Rosevear and others, but by arguing that it was desirable that the regulation should be considered first by the newly-formed Trade Union Advisory Panel and, if approved, gazetted again.[8]

The parallel attempts made to ensure smooth labour relations took the form both of special administrative arrangements and of consultation with the interests affected.

Among the eight directors of the new Department of Munitions was a Director of Labour, and, at the request of the Government and after consulting the parliamentary leaders of the Labour Party, Chifley, a former Labour member of Parliament and minister in the Scullin Government, accepted the post. He held it for only a few months until his re-election to Parliament and the vacancy was filled in the following year by the appointment of E. J. Kavanagh.[9] In the meantime, the creation of the Department of Labour and National Service in October 1940, after the idea had been under discussion at the planning level for over three months, brought into being a department with functions related, *inter alia,* to general labour policy, manpower priorities, investigation of labour supply and demand, effective placement of labour, training of labour and industrial relations and welfare.[1]

To facilitate consultation with trade union leaders the Prime Minister also sought to establish a Trade Union Advisory Panel. It will be recalled that for nearly eighteen months before war broke out both the Lyons and Menzies Governments had unsuccessfully attempted to form such a panel as part of their pre-war planning machinery but had been unable to obtain the cooperation of the trade unions.[2] With the intensifying of the industrial side of the Australian war effort, the need to obtain the advice and cooperation of the trade union movement to ensure smooth and efficient working, as well as to accord due weight to trade union views, became more and more pressing.

In accordance with his announcement to Parliament on 22nd May and, following earlier soundings, the Prime Minister reopened negotiations. By the beginning of July these negotiations had still led to no result, mainly because of the attitude of the Australasian Council of Trade Unions. During June the council had put forward a detailed scheme to form one major advisory panel and at least nine subsidiary panels representing the various groups of industries and, from a letter sent to it by the Prime Minister

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[8] *Commonwealth Debates,* Vol 164, pp. 424-51.

[9] Hon E. J. Kavanagh. MLC NSW 1911-34. Depty Industrial Commnr NSW 1926-31; Apprenticeship and Conciliation Commnr 1931-37. B. Sydney, 30 Oct 1871.

[1] See also Chapter 10 below.

[2] See Chapter 3, p. 146 above.

on 14th June, the council quite reasonably gained the impression that he was favourable to the scheme, although it was later explained on behalf of the Government that Menzies really thought that it was a cumbersome piece of machinery but was prepared to adopt it if it gained the full support of the trade union movement. The council submitted its scheme to a federal conference of trade unions on 3rd July but, although the scheme received the endorsement of the majority of the unions directly concerned, it had to be submitted to the State councils for ratification and was rejected by New South Wales and Queensland. Although the subsequent adherence of Tasmania to the council's proposal meant that a majority of five States as well as a majority of unions supported the council's project (Western Australia was not affiliated with the council) the Government took the view that the opposition of two strong industrial states and of certain key unions left considerable doubt whether the scheme would ensure the requisite cooperation and, at a meeting of the War Cabinet on 23rd July, it was decided to go ahead with the formation of a panel, as originally proposed by the Government, from the majority of the unions which had clearly indicated their willingness to cooperate. Accordingly Menzies wrote to the Secretary of the A.C.T.U. on 24th July saying that the Australian Workers' Union, the Maritime Transport Council, the Amalgamated Engineering Union, the Textile Workers' Union, the Federated Engine Drivers and Firemen's Association, and the Arms and Munitions Workers' Union had each been invited to appoint one representative to the proposed panel and that the A.C.T.U. was invited to appoint two representatives. The Government had been extremely patient and felt that finality must be reached. The formation of the panel was announced on the 26th.

Subsequently, the formation of the panel became the subject of some recrimination and suggestions that the Government had chosen only trade union representatives acceptable to itself. Curtin, however, publicly rebuked the dissident unions, saying in the House of Representatives that the Prime Minister's difficulties in the construction of the panel were difficulties which any Prime Minister would experience in Australia because, as everybody knew, there was no complete unified organisation of labour in Australia. "I say to the Trade Union Movement and to the Australasian Council of Trade Unions that with the panel now existing I am quite satisfied. It is composed of men who are representative spokesmen, quite competent adequately to represent the Trade Union Movement. I should be glad if the Australasian Council of Trade Unions as a sort of greater entity of unionism in Australia would go into the Panel as it already exists."[3]

4—STIRRING THE PEOPLE

The attempts of the Government and Parliament to grapple with the new situation presented by the fall of France were accompanied by a

[3] War Cabinet Minute 434, 23 Jul 1940; *Commonwealth Debates*, Vol 164, pp. 433, 498-503 and 597-598 and Press Statement by Mr Menzies, 26 Jul.

good deal of public clamour. The mind of the people had rushed from the dull level of the "phoney war" to the emotional peak of Dunkirk. The bad news of May and the worse news of June gave rise in many sections of the community to a call to "do something", but there was much uncertainty as to what the "something" should be.

The irony of the situation of governments in Australia during the early years of war was that when they wanted to rouse the people to carry through activities which they had planned and organised, they found reason to complain of lethargy and then, almost overnight, the appearance of danger would rouse spontaneous enthusiasm and present them with the new difficulty of finding an outlet for patriotism. In March they could have used a few more enthusiasts to advantage; in July they had more enthusiasts than they could handle. When patriotism could not find immediate expression or where it found official measures less than its own desires, there was bound to be some criticism of the Government for inadequacy and of the Opposition for lack of support.

The evidence is that the Government was planning and doing more than many large sections of the populace were aware. Like the rest of the British world Australia had only one yardstick to measure a war effort—the experience of the 1914-18 war. In ten months the Government had engaged seven times as many men on munitions plants as at the peak of the previous war, had already entered into financial commitments far greater than the total cost of the 1914-18 war, and had enlisted for overseas service more men than had been enlisted in the first year of the previous war, as well as organising the militia force for home defence. But these "staggering figures" were quoted as a reassurance rather than as a forecast of the greater demands to be made by total war. The Government itself helped, both by its concern for a smooth transition and by its cautiousness, to build up those conditions in Australia that made public criticism following the fall of France show more excitement than understanding.

Curtin, in a debate on the war effort on 28th May, spoke fairly when he deplored the fact that a view had grown up in Australia that implied that what had happened in France and Flanders was in some way attributable to what had or had not been done in Australia, and also referred to the statements being made, not by the Left but elsewhere, tending to undermine confidence in the Government, frustrate its activities and lessen the respect for national leadership. He himself was prepared to give the Government credit for its achievements and said particularly that justice had not been done to the Government in respect of its achievements on the factory side since the war commenced.[4]

June and July were months of frequent public meetings, patriotic rallies, and resolutions calling for action. The greater part of these were the plain and simple declaration of firmness against the enemy. Some were less straightforward. Often a resolution, after calling for a great united war

[4] *Commonwealth Debates*, Vol 163, p. 1366.

effort, would proceed to demand the coercion or suppression of some other section of the populace in such a way as to make the whole resolution foolish, for the measures it enjoined would have not helped the war effort but hindered it by internal disruption. Others would exhort the Government to act, and then proceed to discredit the Government so fiercely that, if the latter half of the resolution had any effect, it would certainly make impossible any useful response to the first half.

Perhaps the significance of this minority of confused resolutions may have been exaggerated for they appear to have been reported rather more freely by the Press than their origin warranted. In the newspapers of Sydney and Melbourne particularly, "muddle" and "bungling" were the favourite themes of the day and illustrations were eagerly sought. There undoubtedly was some muddle and bungling, for a great number of people were being asked to do what they had never done before but, on balance, there was also achievement and at this distance, remembering the trial through which a people was passing, there is something rather indecent about the glee which Australian writers and speakers seemed to display whenever they found that something was going wrong, and the lesser concern either with what had been done or remained to do.

Justification can be found in the newspaper files for the protest made by Menzies when, in an address to business men in Sydney on 7th June, he referred to the perpetual "sniping" at the Government.

> It is an immemorial privilege of ours in Australia to criticise and I hope it always will be; I hope that in time of war we will decide that the real function we have to perform is to fight the enemy and not to fight ourselves . . . . I want to say this to you bluntly, that it is to me the most extraordinary thing that in this city at this time anybody with a criticism to make can have it reported verbatim. Anybody with an answer to make may get it reported or may not get it reported, but certainly not verbatim. The result is that at this easily the most difficult pass in our history, I as Prime Minister have to devote at least one-third of my time (and I work fifteen hours a day, seven days a week) to warding off blows aimed at me, not from the front, but from those who are supposed to be my supporters—"snipers," people who shoot from behind, people who think a fine round mouth-filling destructive criticism is a contribution to make to the war.

The oddity of the situation was that while a section of the people at least were convinced that the Government needed to be stirred up, the common judgment made in political circles was that the people were still mentally unprepared for war and that exceptional care would have to be taken to make certain that they would accept new burdens. Certainly the contemporary scene yields a great deal to support the politicians' view. Nearly everything the Government did or tried to do was resisted by someone because it pinched him. Some proposals, such as the proposal to ration petrol, at once led to organised campaigns hostile to the Government. The life of the community, so far as it could be observed in the spending, recreation and entertainment of the people, was going on much the same as if there were no war. For example, in the daily newspapers the war provided the sensations for the front pages but the sporting,

financial and social sections were much the same as in peacetime, or, if anything, a little more animated, while the display advertising of the department stores was just as prodigal.[5]

The Government might have been bold, in spite of a pending election, and imposed the necessary demands. It might have led instead of following the people. It may have been that the response would have been beyond all expectation. The contemporary judgment, even after the fall of France, was that it was necessary first to prepare the minds of the people.

The situation implied that the wartime information organisation had not fully succeeded. The Government itself recognised its deficiencies and, as already indicated above, one of the major administrative changes after the German attack on the West was the appointment of a new Director-General of Information. At the meeting of the War Cabinet on 21st May, the Prime Minister told his colleagues that the morale of the people was going to undergo a terrific strain and, regardless of everything else, they should get the best publicist and journalist in Australia to ensure that the press and the people were caught up into the national effort. Sir Keith Murdoch seemed to be the outstanding man in his field and he proposed to approach him and ask him to undertake this responsibility.

On 8th June, following correspondence with Sir Keith Murdoch, his appointment as Director-General, responsible to the Prime Minister and having access to the War Cabinet, was announced. The charge given to him was wider than that of the original Department of Information and placed rather more weight on the building up of a national war effort. The press statement read as follows:

> The Director-General will be concerned with the informative and psychological side of the war and Australia's war effort. In particular, it will be his function, subject to Government policy and direction—
>
> (a) to present the progress of the war in its true colours without minimising reverses, while at the same time giving due weight to those factors which will enable a balanced public judgment to be formed;
>
> (b) to keep the Australian people informed of the progress of Australia's war effort and of the work done in relation to manpower, industrial organisation and finance;
>
> (c) to keep all sections of the community adequately informed as to what their duties are at this time of crisis, so that as far as possible, every citizen will know what his own task is and will be encouraged and directed in its performance;
>
> (d) to organise in all parts of Australia committees and groups to play their part in the creation and expression of a sound public psychology and the furtherance of our efforts in relation to both manpower and supply;
>
> (e) to arrange for and control the utilisation of every avenue of publicity, including broadcasting and cinematograph films for the achievement of the purposes previously indicated.
>
> The Director-General, whose functions will thus be an integral and important element in the organisation of effective national service, will be adequately provided

[5] One metropolitan newspaper which was analysed had 48 pages in the issue of Saturday, 1st June 1940, compared with 52 pages on Saturday, 3rd June 1939. In both cases 70 per cent. of the space was given to advertising. The special features showed little change in character. In 1940 there were 23 full-page display advertisements, mainly from department stores, compared with a total of 21 pages of display advertising in various sizes in 1939. The subjects of display advertising were much the same in both cases—fashions, furniture and wireless sets predominating.



Sun (Sydney)

Volunteers "for service at home or overseas" in the "special force of 20,000"—the 6th Division of the future—at Victoria Barracks, Sydney, 16th September 1939.



Sydney Morning Herald

Fitters, turners and other skilled tradesmen answer the air force call for 500 such men. Victoria Barracks, Sydney, 4th September 1939.



Daily Telegraph (Sydney)

Enlistment of trainees for compulsory military service, Marrickville (Sydney), 4th January 1940. This call-up affected youths whose 21st birthday fell between 1st July 1939 and 30th June 1940.

with funds and financial authority for the doing of his work, and in relation to all media of contact with the public will be given all the powers necessary to see that private interests and normal routine are made subject to the national needs.

The newly-appointed Director-General would appear to have been the natural choice for the position. A war correspondent in the 1914-18 war and a newspaperman of wide experience both in Australia and on special missions overseas, he had risen by his own talent and organising ability to become Managing Director of the Melbourne *Herald, Sun News-Pictorial* and associated publications, and had for many years been active in public life and constantly interested in Australian political developments.

Within a fortnight of the announcement of his appointment he had proposals ready for the Prime Minister, and on 19th June these were approved by a meeting of the War Cabinet at which Murdoch himself was present. There was now a complete change from a call for economy to a call for expansion. The Department of Information was to be directed into a much more powerful and far-reaching agency and its organisation was to cover all national war activities and to help to stimulate them.

The work which Murdoch might have done in fulfilment of his ideas was ruined, however, by one miscalculation, and a miscalculation in a field in which it might have been expected that he could estimate the possibilities with exactness. In explaining his ideas to the War Cabinet, the Director-General had said that his conception of the Department of Information was that it should be a "department of expression", that is to say, that, except in respect of information of use to the enemy or criticisms damaging to the war effort, it should try to tell as much as possible and it should avoid acting as a "department of suppression". A regulation should be passed to insist on a journal publishing the truth in an appropriate form if required to do so.[6] Inasmuch as the War Cabinet minute records that "the views of the Director-General generally were approved by War Cabinet", the responsibility for this policy was accepted by Cabinet. The same point had been discussed by Murdoch with Menzies two days earlier and the Prime Minister was reported to have been in agreement that it was desirable for the Government to obtain this authority.

To appreciate the reasons behind the decision of Cabinet it is necessary to recall the circumstances in which they found themselves after the fall of France at a moment of great peril to the British Isles and to the British Commonwealth. In the first place, they had heard for some weeks past, particularly from the press, a demand for leadership, a demand to tell the people the truth, and a demand for an active information policy. In the second place, during the first six months of the war they had encountered many indications of apathy in some sections of the populace and of unwillingness to make a total war effort and they now faced the possibility of an emergency which might require exceptional efforts by the nation. In the third place, the development of that same emergency might present various occasions on which it would be necessary for the Government to

[6] War Cabinet Minute 349, 19 Jun 1940.

make urgent and simultaneous announcements to the people both by the press and radio. They had the powers of censorship but, even when used in the most extreme fashion, this power gave only the negative effect of suppression, and by itself, would probably add to the doubts and uncertainties which were interfering with the national war effort. They had had experience, too, of the fact that they could never overtake a rumour.

The particular point on which trouble arose was Murdoch's proposal that he should be able to compel the newspaper which had published misinformation to publish with equal prominence the correct version which the Government might supply. His request for this power was an interesting commentary by one newspaper proprietor on the newspaper industry in general.

After the approval of his views by the War Cabinet he went ahead enthusiastically to translate the new policy into a regulation. But in doing so he was curiously blind to the possible objections of interference with the freedom of the press and apparently did not stop to consider other ways of serving his end, although in the course of drafting some of the dangers were pointed out to him.

When the new regulations were gazetted[7] the outcry from the press, except in those newspapers controlled by Murdoch, was instantaneous. The regulations were represented as an attempt to control the press. Murdoch's former associates among the newpsaper chieftains of Australia turned to rend him with delight.

Bearing in mind the abridgment of civil rights and liberties that had been made by other regulations and accepted without protest and even commended by the metropolitan newspapers, the effect of the new regulations would not appear to have struck at liberty so deeply or in so novel a manner as the press alleged. The point at issue was basically one of property rights. Could half a column of a newspaper be requisitioned without compensation although with protection against suit under existing advertising contracts? Could a newspaper be obliged to use this piece of its property, not according to its own judgment but according to the judgment of the Government? The newspapers shouted "No" in the accents of Areopagitica. The property in question had unique characteristics. The workman's hands, the farmer's land, the manufacturer's plant or the merchant's credit must not be compared with space in a newspaper for the newspaper is used for making or purveying, not inanimate products, but the thoughts of men. Should precedence or even equality be claimed in it for the thoughts of a Director-General?

Some further light on the nature of the objections may perhaps be found by comparing the regulations to which the press objected and the amended regulations[8] to which they agreed. The regulations as eventually accepted provided that the Director-General, instead of being able to require publication of his own matter when he thought it expedient in the

[7] National Security (Information) Regulations. Statutory Rules 1940, No. 137.

[8] Statutory Rules 1940, No. 188, 31 Aug 1940.

interests of defence or the prosecution of the war, should have power only in case of mis-statements or misrepresentation of facts concerning the prosecution of the war; and then, in the first instance, he should furnish a statement to the newspaper concerned and request that it be published; if the request was not complied with, he might, after obtaining the approval of the Minister, then require that the statement be published in such form as he specified, but he could not direct what space it should occupy but only that it should have a corresponding position and equal prominence and display to that of the original statement which it sought to correct. It was specifically provided that the space usually occupied by the leading articles or editorials was excluded and that newspapers could not be required to publish comments as distinct from statement of fact. In the drafting of the original regulations there was no indication that it was ever intended that the Director-General should take over editorial columns to present Government views under the guise of being the newspapers' own views but the words of the regulations might be interpreted as giving such a power.

The more the two sets of regulations are studied the less convinced one can be that anything fundamental was at stake. Rather the major factors were on the one hand a man who had not balanced the organising drive of a managing director with the carefulness of a public servant; and on the other hand a group of newspaper proprietors who were not going to allow another newspaper proprietor to tell them what to print.

Throughout the controversy of July 1940, broadcasting stations had demurred only in respect of the difficulties which they would encounter with their advertising contracts if the Director-General of Information required time already bespoken, while the cinema raised no objection whatever. Meanwhile, however, the political damage had been done and the unfortunate Department of Information had received a further set-back, for not only had the controversy with the Press impaired relations but the after-effects of the controversy included a further disruption of their organisation. In December 1940 Murdoch resigned. A necessary work by a man well-equipped to do it had been impaired by a miscalculation on the one hand and, perhaps, on the other hand, by too great an eagerness to pull him down.

In the following month the Prime Minister himself retired from the position of Minister for Information. Reviewing the work of the department up to that time, he referred chiefly to the work of the editorial division, which had a staff of ten journalists and various assistants and supplied material to the metropolitan and country press; the work of the official war correspondents with the A.I.F. in the United Kingdom and in Palestine; the supplying of background information, confidential and otherwise, to the editors of metropolitan newspapers; the cabling of a weekly news letter to the A.I.F. abroad; the distribution of photographs dealing with the Australian war effort; the work of the broadcasting division which would in future concentrate its resources on broadcasts to the Pacific; and the production of cinematograph films on the Australian war effort for exhibition

both in Australia and abroad, together with arrangements for the exchange and exhibition of films received from other parts of the British Commonwealth. The group committees were still in existence although their activity was not apparently so great as during the initial period under Gullett.

Press comment was still unfavourable to the department and its growth in expenditure was criticised. The *Age* (Melbourne) on 25th November voiced a common objection to "propaganda" saying that "Australians are not a people to tolerate intrusive departmental control or the manufacture of opinion here or to resort to blatant propaganda elsewhere". All that was wanted was news rather than attempts to "strengthen national morale" or "influence public opinion". In an earlier editorial on 14th November, the same newspaper had called for a complete review of the functions and scope of the department, suggesting that overstaffing should be avoided and that the department should "release University professors and let them resume teaching". Therefore there was a favourable reception to the announcement by the new Minister, Senator Foll,[9] that a drastic reorganisation was planned.

The necessary task, seen by the Prime Minister, of ensuring that the Australian people were adequately informed and that each citizen knew his own task and was encouraged and directed in its performance had not yet been accomplished. More and more people were being drawn into the war effort in one capacity or another, but once the challenging dangers of June 1940 became less and less immediate, signs began to appear again that the nation was not fully roused. Convoys passed overseas; there were letters and "snaps" of "diggers on leave" in Palestine and Egypt. In July H.M.A.S. *Sydney,* heir to a glorious name, sank the Italian cruiser *Bartolomeo Colleoni* in the Mediterranean. In September the "blitz" on London by Goering's *Luftwaffe* commenced, and the hearts of Australians responded both to the death and destruction at the core of the Empire and then to the accomplishments of the R.A.F. fighters among whom Australian boys were flying. Periodically, feeling surged and fell back, but it is doubtful whether national leadership had yet found for each his task or brought the nation to a single purpose. The nation had been deeply stirred by danger but had not yet changed many of its peacetime habits.

5—THE POLITICAL OUTLOOK

On 31st May Parliament adjourned until 2nd July but members were called together again a fortnight earlier than planned to consider the National Security Bill giving control over property and manpower. A Loan Bill for £20,000,000, mainly for intensifying munitions production, was also agreed to, and Supply voted until November. There were important ministerial statements on the international situation and on wartime agricultural policy. On 27th August the House of Representatives, which had risen on the 22nd, was dissolved. The date of the first wartime general elections had been fixed at 21st September.

[9] Hon H. S. Foll. (Gnr 7 Bty AFA 1914-15.) Senator 1917-47; Min for Repat and i/c War Service Homes 1937-39; Interior 1939-40; Infmn 1940-41. B. London, 31 May 1890.

The final period of the Parliament was distinguished by the ready cooperation of the Opposition in the passing of essential war measures. The Prime Minister and Leader of the Opposition, each in his different sphere, had been moderate in the application of his party's policy and firm against extremists among his own supporters and they had come closer together in the service of the country and gained in respect for each other. Menzies paid frank tribute to the dignity and fairness of Curtin and to the standard he had set as Leader of the Opposition and Curtin acknowledged the respect and support due to the head of the Government.

In spite of difficulty the parliamentary system was working in wartime. Parliament had met in four separate periods in the course of the twelve months of war and had discharged its duty of legislation and review with care. Both leaders had set before it the highest standards of parliamentary conduct and, with an occasional lapse here and there, both sides of the Chamber had kept to those standards.

Whatever be the political orientation of an administration (said Curtin in his valedictory remarks) ordered government is not only traditional among us, but is also the very foundation of our liberties. Whatever government is in power should be given the respect and support of the people of Australia, even though they may not agree with its policy. The head of any government has the right to expect not only from his supporters, but from his opponents also, a dignified presentation of their case, and a reasonable expression of their criticism. I feel that the Prime Minister, as head of the Government during the war, is entitled to special respect and support, and I have attempted, without abating my opinions, or those of my party, to ensure that he was not unnecessarily hampered in the execution of his duties, or subjected to unnecessary or discordant criticism, thus adding to his difficulties, which are already heavy enough. If that be a political offence, I plead guilty to it, but I believe it to be the wish of every decent man and woman in this country. I have greatly valued the association that has developed between us. It is an association of men who feel, I believe, a common obligation to those who sent us here, and have a resolve to do our job properly while we are here.[1]

The fifteenth Parliament, elected in 1937, had been an unusually troubled one. It had known five ministries—the first Lyons Ministry, the second Lyons Ministry constructed in November 1938; the stop-gap Page Ministry of April 1939; the first Menzies Ministry, and the second Menzies Ministry in coalition with the Country Party from March 1940. Within those ministries there had been numerous shufflings, resignations and reshufflings. Among forty-two Government supporters in the House of Representatives shortly before the dissolution, twelve were in the Ministry and seven were ex-Ministers. The portfolio of Trade and Customs had been held by five different ministers in three years; that of External Affairs by three; the Treasury by three. There had been four Postmaster-Generals, three Ministers of Commerce.

Early in 1940 the appointment of Casey as first Australian Minister to the United States had robbed the Government of an experienced, energetic and tactful minister who could push ahead with a job and still be pleasant about it. Death brought heavier losses shortly before the session

[1] *Commonwealth Debates*, Vol 164, p. 573.

ended. In an aeroplane crash near the Canberra aerodrome on 13th August, the Minister for the Army (Brigadier Street), the Minister for Information (Sir Henry Gullett), and the Minister for Air (Mr Fairbairn) were killed. Street and Fairbairn, young, active men with first-hand knowledge of their respective tasks, gained both in war service and voluntary training, had worked with enthusiasm and a deep sense of duty for the building up of army and air force. They were men whose loyal and manly characters commended them to the servicemen and under them the services had grown in quality as well as size. Gullett, a more passionate man and also a more widely experienced one, had brought a fervent patriotism to the tasks of the Department of Information and the Department of External Affairs in the early days of the war and had passed from those offices in June to the post of Vice-President of the Executive Council and Minister in Charge of Scientific and Industrial Research. His health had shown some signs of strain but his wide knowledge, breadth of experience and the intensity of his feeling about the war still illuminated and warmed the consultations or meetings in which he participated. The loss of any one of these men alone would have weakened the Ministry and Parliament. The loss of the three together tore a great hole in the fabric of government. In the same crash died the Chief of the General Staff, Sir Brudenell White.

The Menzies Ministry of April 1939 had looked a more promising and well-knit team than the coalition Ministry that was preparing to face the electorate. The Ministry had been weakened by the losses mentioned, and showed the marks where the strong individualism of some of its own members had kicked against its confining walls. One criticism, which was directed against a weakness of the Prime Minister as well as that of his team, was that the leader had too many corporals and no lieutenant. Menzies could claim a creditable record of achievement for the ministries he had led but public confidence in his mixed and depleted team was waning.

Throughout the crisis presented by the fall of France, the whole of Australian political activity moved under the shadow of the forthcoming general elections. The Commonwealth Constitution provides that the House of Representatives shall continue for three years from the first meeting of the House and no longer; hence, unless exceptional measures were taken, general elections would have to be held towards the end of 1940. The possible exceptional measures which might be taken to defer elections were the holding of a referendum or an appeal to the Parliament at Westminster and, in public discussions in the press, the opinion was occasionally expressed that, to avoid the distraction, controversy and the diversion of effort which general elections would bring, one or other of these means might be adopted in order to extend the life of Parliament. The arguments in favour of such a move became more definite as the danger to Australia became more real. Perhaps if the expedients had not themselves presented such difficulties the discussion might have spread further, for there were signs of a considerable opinion that national unity would be impaired by

the political campaigning. To hold a referendum, however, would clearly be almost as distracting as an election itself, while reference to the Parliament at Westminster ran counter to the developing ideas of Australian constitutional status and, in any case, would be unlikely to succeed if the request were not unanimous or nearly unanimous. It was clear that, whatever might be the views of the Government itself, a unanimous request for an extension of its life was unlikely to proceed from the Federal Parliament. Apart from strong Labour objections, the Country Party leader, Cameron, was also openly hostile to any postponement of the election.

Yet there was still the possibility that a crisis of the war, even an attack on Australia, might come at the same time as the elections.

Towards the end of July the Prime Minister expressed the view of the Government that the next election should occur within the due period unless circumstances rendered it impossible or dangerous to the war effort to have an election campaign. Cabinet had been considering ways and means of obtaining power for the Federal Parliament to postpone an election if Parliament considered that the circumstances rendered it necessary and the whole matter would be discussed with the leaders of the two opposition parties and with others at pre-sessional meetings. Menzies emphasised that if such power was obtained it would not mean that there would be an automatic extension of the life of Parliament, it would simply mean that Parliament itself would decide the matter in the light of the war circumstances.

To this Curtin replied that, if war dangers made elections impracticable at the due time, he was sure that the Australian people would have no objection to the Commonwealth Parliament suspending the Constitution and sitting as a constituent assembly of the nation until the danger had passed. Parliament could later ratify what the constituent assembly had done. Curtin was opposed to any approach to the Parliament at Westminster and thought that there was no indication of any need to avert an election when the life of the Parliament expired.[2] Soon afterwards it became clear that, whatever thoughts the Government may have had about extending the life of Parliament, it had abandoned them as impracticable. A section of the press castigated those who did not favour postponement of the election for their "political obstructionism",[3] but when the Prime Minister announced to Parliament on 20th August that he proposed to recommend the dissolution of the House with a view to holding the general elections on 21st September it was recorded as being more or less the normal and inevitable procedure. On the same day in the Senate an Electoral Bill had been introduced to provide means by which members of the Defence Forces could record their votes. The fact that this measure had been under close and constant examination by the Administration since February 1940 lends some support to the other indications that

[2] *Herald* (Melbourne) 25 Jul and 29 Jul 1940.

[3] *Herald* (Melbourne) 5 Aug and 6 Aug 1940.

the Government itself had expected that elections would be held in the normal way.[4]

Although there is little to support the suggestion that the Government thought of postponing the election because of its nervousness over the outcome, there is positive evidence that Labour wanted the election to take place, among other reasons, because of its growing confidence in the result. Labour was talking of winning. Corio was the signpost.

In face of the more serious challenge of world events and responding to the stirring of national patriotism, the Labour Party was moving more resolutely towards unity and the authority of Curtin was being more firmly established. The persuasions of national duty were frankly allied with a calculation of what wartime policy would win an election and both influences brought about a simplification of Labour policy.

At a special Commonwealth Conference held at Melbourne on 18th and 19th June, the official policy of the party, which had hitherto been governed by the resolutions of May 1939, on defence, was made more explicit and more definite. The conference was called "to consider the world situation and state of war in relation to the defence of Australia, and general questions associated therewith, including the necessary early outline of general principles of post-war reconstruction". It concentrated more on the war effort than on reconstruction for, as Mr Forgan Smith the Premier of Queensland told his colleagues, "I am not so concerned with what may happen after we win so much as that we might not win because of lack of effort".

The principal resolution adopted by the conference read as follows:

DEFENCE

Having regard to the gravity of the world situation and the imminent danger to the Commonwealth of Australia, the Empire, and the Allies, this Conference of the Australian Labour Party definitely declares as their policy:

(1) Complete and indissoluble unity with the Allies in the War.

(2) The entire resources of Australia (which includes all productive and financial organisations) to be under the control of the Commonwealth Government for national service in the urgent and adequate defence of Australia and the prosecution of the war.

(3) That to secure maximum productive efforts, all idle employable labour be absorbed into industry.

(4) Speeding up of our war and other services on a planned scale aiming at the highest efficiency and the most economic use of the resources at our command.

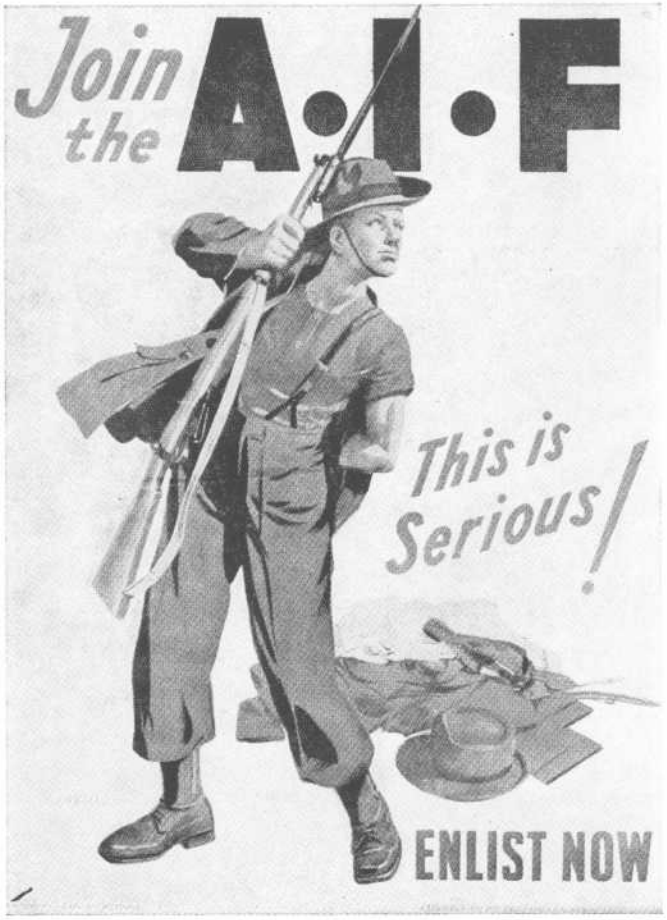
(5) National training for defence in terms of the existing *Defence Act* to be maintained on the highest basis of efficiency, and provision for an adequate system of physical training throughout Australia. Complete participation in the Empire Air Force Scheme. Necessary provision for reinforcement of the A.I.F. divisions, the extent of European participation by volunteer army to be determined by circumstances as they arise, having regard to the paramount necessity of Australia's defence.

(6) Full recognition of trade unions, safeguarding industrial standards, and the participation by Labour organisations in the successful organisation of the nation.

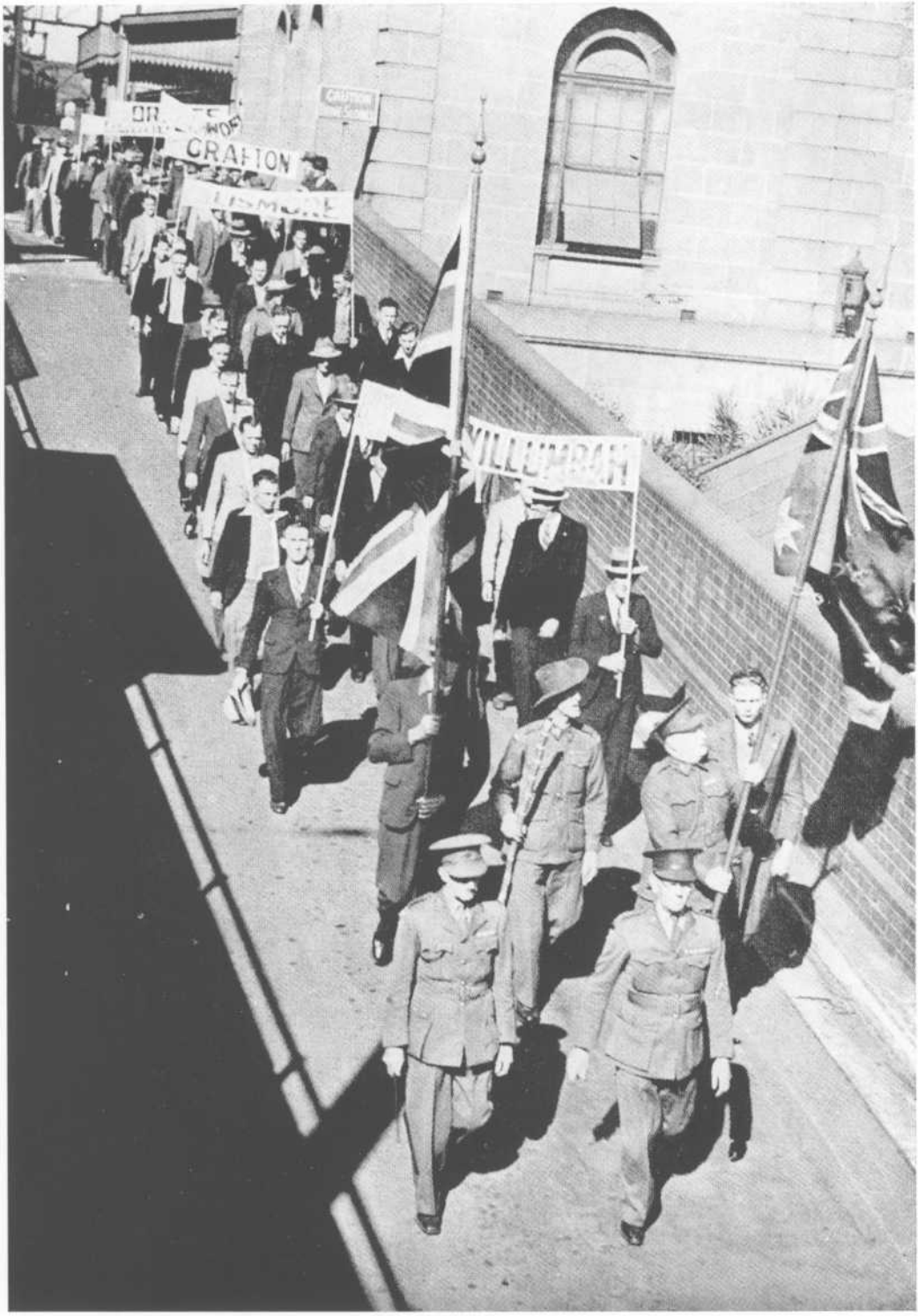
(7) An excess war-profits tax of 100 per cent.

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[4] War Cabinet Minutes 187, 28 Feb; 225, 4 Apr; 240, 11 Apr; and Full Cabinet Minutes 21, 15 Apr, and 26, 23 Aug, in War Cabinet series.


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APPLY RAAF RECRUITING CENTRE IN CAPITAL CITIES, AND VOLUNTARY SELECTION COMMITTEE IN COUNTRY CENTRES



Sun (Sydney)

Volunteers from the country. From the outbreak of war a steady stream of country men had joined the forces. These march behind the names of their home towns on arrival at Sydney Railway Station, September 1941.

This Conference is firmly convinced that Australia can be united on these principles, and calls to Australians to stand together in resisting aggression from any source, to bear willingly any burden that may be imposed in the interests of Australia's security, and to demonstrate to the Empire and its Allies that we shall not be found wanting in the struggle for human liberty.

This declaration, which was regarded not as an alteration of the constitution of the party but as "a Political Charter to the Federal Parliamentary Labour Party and the Labour Movement as to how a part should be played in the present crisis", was largely based on a motion brought forward by Forgan Smith and represented the view of the solid centre of the party. To the original motion, Mr Clarey[5] of Victoria proposed an amendment the main effect of which, if adopted, would have been to insist on the national ownership and control of productive and financial organisations for defence and to maintain the party objection to expeditionary forces, although in this regard the definition of Australian territory would be modified so that troops might be raised for service in the "land and waters adjacent to Australia and New Zealand". A third and more extreme point of view had been expressed by Messrs Ward, King[6] and Evans,[7] of New South Wales, who opposed both motion and amendment and were rigid against expeditionary forces and militant against the Government. The view expressed by Ward was that the Labour Party should concentrate on gaining a Labour government by exposing the deficiencies of the Menzies Government and that they should not talk of support for the Menzies Government in the war effort. Some other delegates, particularly the leader of the South Australian Labour Party, Mr Richards,[8] were eager to go further than Forgan Smith's proposal in declaring "all out" cooperation in the war effort, and it was from this group that a formal suggestion also came for the constitution of an administrative war council, representative of industrial organisations, primary producers and employers, as well as the armed services, under the chairmanship of a president to be elected by ballot by all members of the Federal Parliament. Some Tasmanian and West Australian delegates advocated Labour participation in a national government.

The various proposals had been referred to a sub-committee, which returned to the conference with the text of the declaration as finally approved. Clarey still maintained his own amendment and the New South Wales delegates still opposed both proposals. The Victorian amendment was lost by 30 votes to 6 (presumably the six delegates from Victoria) and the declaration was carried by 24 votes to 12, the minority presumably being the twelve delegates from Victoria and New South Wales.

After the acceptance of the main resolution by the conference, Curtin obtained approval for the following resolution—

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[5] Hon P. J. Clarey. MLC Vic 1937-49; President ACTU since 1943; MHR since 1949; of Caulfield, Vic; b. Bairnsdale, Vic, 20 Jan 1890.

[6] Hon R. A. King. MLC NSW since 1931. Of Waverley, NSW.

[7] A. W. Evans. State Secretary (NSW) Australian Labour Party. Joint Leader of Hughes-Evans Group.

[8] Hon R. S. Richards. MHA SA 1918-49; Premier of South Australia 1933; Administrator of Nauru 1949-53; of Hawthorn, SA; b. Moonta Mines, SA, 31 May 1885.

In order to effectively implement the policy agreed upon by conference, and to achieve and maintain the maximum of national unity, and to ensure the preservation of the utmost degree of civil liberty consistent with the conduct of the war, this Conference declares:

(a) That Parliament should be regularly consulted.
(b) That the Labour Party should maintain its integral identity in the people's interests.
(c) That a National War Council including representatives of Labour should be established to advise the Government in respect to the conduct of the war and in preparing for the post-war reconstruction.

He explained this resolution as a rejection of national government. During the ensuing debate South Australia revived in the form of an amendment its proposal for an administrative war council, urging that this move would provide the means for Labour to give effect to its policy even though it was not in the Government, while Mr Dwyer-Gray[9] (Tasmania) put forward a further amendment in favour of Labour participation in a national government. Both the amendments were lost on the voices and Mr Curtin's proposal was accepted by 23 to 13, the opposition expressed in the debate coming solely from New South Wales and Victorian members.

The official report of the proceedings reveals the relationship between Labour's declaration and the forthcoming election, although few delegates expressed it quite as bluntly as Mr D'Alton[1] of Tasmania, who said that Labour would never win an election until it waved the flag more than the other side. The debates, however, expressed even more clearly a genuine concern over the seriousness of the war situation, an eagerness to contribute to the common victory and a determination to get things done. The Conference, held two days after the Prime Minister's broadcast of 16th June, might be regarded in a sense as the Labour Party's answer to the watchword "all in". Although there was still a minority who distrusted any war effort led by a non-Labour government and whose distrust impeded their response, the majority had responded to the call with a demand for total control of resources and for more efficient and economical use of them, and had pledged themselves to these objectives.

The unity of the Labour Party, however, was still not complete. One example of the uncompromising attitude of a section of the New South Wales members has been seen in their refusal to vote with Curtin in support of the National Security Amendment Bill, and in their embarrassment of the party by moving for the disallowance of National Security Regulations for control over labour.[2] Other difficulties had come to the surface in the negotiations between the Prime Minister and the trade unions for the establishment of the Advisory Panel of Trade Unions.

A further trial of strength came as a consequence of resolutions passed by the Easter conference of the New South Wales Branch of the Australian Labour Party calling for "hands off Russia" and the cessation of

[9] Hon E. Dwyer-Gray. MHA Tas 1928-45; Treasurer and Dep Premier of Tasmania 1934-39, 1940-45; Premier 1939. Journalist; of Hobart; b. Dublin 2 Apr 1870. Died 6 Dec 1945.

[1] Hon T. G. de L. D'Alton. MHA Tas 1931-44. High Commnr for Aust in NZ 1943-46; MLC Tas since 1947. Of Hobart; b. Warracknabeal, Vic, 8 Dec 1895.

[2] See page 233 above.

hostilities. This resolution had been promptly repudiated by Curtin, who said that no State Conference of the party could declare a new defence policy. The attacks from the Left-wing of the party or against the Federal leader continued and found further expression during the June conference. In the first week of August the Federal executive suspended the whole of the New South Wales State executive. According to contemporary press accounts this action was part of a deliberate move by the substantial leaders of the centre, Curtin, Forgan Smith and C. G. Fallon,[3] both to give the greatest possible support to the war effort of the Commonwealth and to help strengthen the party's chances at the forthcoming elections. Curtin was quoted variously as follows: "Labour has more chance now of winning the general election by what it has done in the last two days than it would have had had it not taken the action",[4] and: "There are some people in Australia who dislike me because I will not tie the Labour movement up to Molotov's foreign policy and there are other people who dislike me because I will not scab on the British Commonwealth of Nations".[5] In chronicling further party meetings, another newspaper spoke of "the interstate leaders' campaign to eradicate the militants from the official Labour Party in New South Wales" and quoted one of the Victorian delegates, Mr Calwell, as declaring: "Victoria prefers Mr Curtin to Communism and the British Commonwealth of Nations to the Russian Soviet and so does New South Wales despite the screaming gyrations of Molotov's myrmidons".[6]

The Federal Parliamentary Labour Party, at a Caucus meeting on 7th August, upheld the Federal executive's decisions and further endorsement was given by a meeting of trade union executives at the Sydney Trades Hall on the following day, when Curtin spoke forcefully of his intention that the entire resources of the nation should be used in the war effort. "This is a workers' country," he said, "and the Labour Party has given its utmost support for the defence of the country and for the prosecution of the war." However much they might be opposed to the Government they were not opposed to the country which the Government governed. He had urged that the trade unions should take part so that ministers would not act only on the advice of the bureaucracy. The only place in the world to-day where a Labour minority could raise its head and be articulate was in Australasia and Great Britain. It had been said that in voting for the National Security Bill the Federal Labour Party had helped to foist industrial conscription on the people. That was wrong. Parliament could still disallow any regulation the Government proposed. He asked for unity. It was hard enough to have acts of disloyalty when Labour was in Opposition. How could they expect to govern where this kind of conduct was being perpetuated?[7]

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[3] C. G. Fallon. Federal President Aust Labour Party from 1939. Gen Secty Aus Workers' Union 1940-43. Of Brisbane. Died 11 Jan 1950.

[4] *Herald* (Melbourne) 3 Aug 1940.

[5] *Herald* (Melbourne) 5 Aug 1940.

[6] *Sydney Morning Herald*, 7 Aug 1940.

[7] *Sydney Morning Herald*, 9 Aug 1940.

As a result of this contest with the militants in the New South Wales State executive, the Labour Party faced the elections in September with the credit in the eyes of many electors of having pledged full support for the war effort and of having taken resolute action against those militant sections who might have undermined that pledge. The responsible leaders had not changed the views of the dissident minority but they had proclaimed their own position widely to the people of Australia. The last word, so far as the general public was concerned, was with the president of the Federal executive of the A.L.P., Mr Fallon:

> Members who will not subscribe to the full requirements of the policy or who favour doctrines imported from foreign countries cannot remain in the A.L.P., and the majority of the rank and file support this view. This dispute in New South Wales arose because certain new recruits to the political Labour movement decided to oppose the decision of the Federal conference to assure adequate reinforcements to the A.I.F. overseas and to devote Australia's total resources to the war effort.[8]

The action, however, meant that in New South Wales the State executive decided to nominate its own candidates for the election and, with the Lang Labour Party still maintaining its separateness, the public in that State saw not one but three Labour parties contesting for votes.

As already indicated, there was some lack of confidence about the ability of the Menzies Ministry to provide strong and united leadership in the future, and the divisions in the Labour Party and lingering doubts about its attitude to the war fostered some uncertainty whether it, too, was likely to fill the need. These considerations appear to have been among the factors that brought about a renewed call for a national government.

The call for a national government was not, however, a simple and uncomplicated search for unity. It sometimes appeared as a genuine, even if perhaps rather glib approach to a unified war effort. At other times the case was presented in a way to discredit the Opposition and at yet other times in a way to discredit the Prime Minister. Sometimes it looked like a project to replace Menzies and at other times it looked like an attempt to represent Curtin's refusal to join a national government as the only real hindrance to the winning of the war. Whatever its motives may have been, the pressure in favour of it became so strong as to exercise an appreciable influence towards the modifying of the Labour Party's attitude and the shaping of the Government's appeal to the electorate.

Soon after the German attack in the west a Victorian U.A.P. "back bencher", Mr Hutchinson,[9] moved the adjournment of the House in order to stress "the urgent need in view of the grave overseas developments for the formation of a National Government in Australia representative of all parties", and argued firstly, that there was hesitancy in Australia's war effort and, secondly, that this was due in some degree to the lack of a national government.

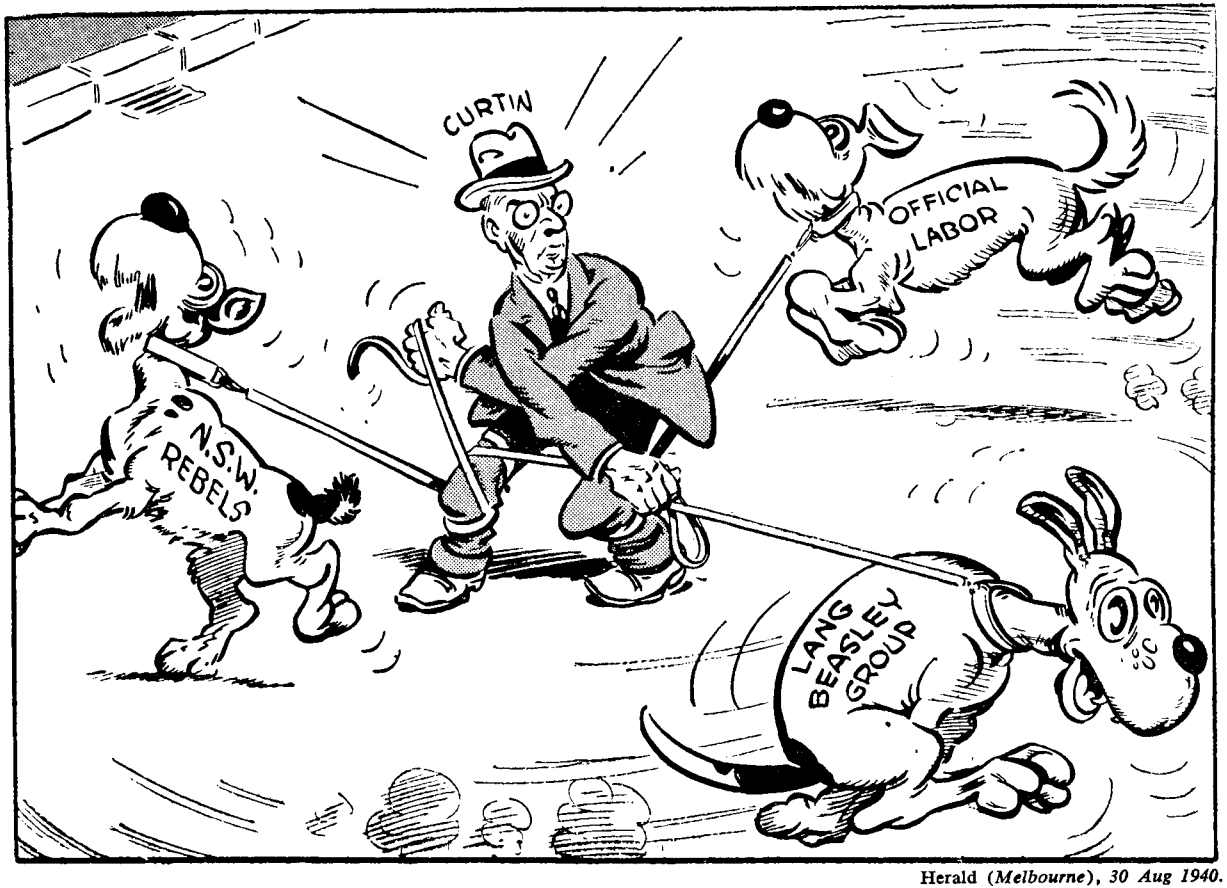
The Prime Minister expressed readiness to take part in the work of a national government on the broadest possible basis directed by all those in

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[8] *Herald* (Melbourne) 5 Aug 1940.

[9] W. J. Hutchinson. MHR 1931-49. Grazier; of Bonnie Doon, Vic; b. Maindample, Vic, 7 Jan 1904.

WHITHER?



Herald (*Melbourne*), *30 Aug 1940.*

Parliament who could agree upon a common policy but he pointed out the political fact that the formation of a national government did not depend upon his will or upon the will of Government supporters but depended partly upon the will of the Leader of the Opposition and, even more importantly, as he was sure the Leader of the Opposition would agree, upon the point of view of other members of the Opposition. He recalled that since the war began he and Curtin had frequently discussed the progress of the war and Australia's war effort and that, subject to the limits imposed on him by the views he held, Curtin had displayed "a sympathetic spirit and a cooperative attitude". Menzies then said—and by interjection Curtin showed agreement—that a national government which meant that some individuals would come into the Government would in actual fact mean very little. For him to appeal successfully to some members of the Opposition to join a national government would mean very little unless they brought in with them a real spirit of unity and had behind them the approval of those people in Australia with whom they and their party were particularly identified.

Menzies then added some remarks which would appear to have been directed against his own supporters and to have been more directly relevant to the question of unity than Hutchinson's proposal. He said that he had been criticised from time to time for being patient in respect of some problems and for neglecting to fight those who were on the other political side. He had been patient and he had neglected opportunities for such a fight, but he had done so in order that a national government would be realised on a proper and popular basis at the appropriate time, and he hoped that nothing would be said which would prevent the maximum of unity.

Curtin paid a corresponding tribute to Menzies saying that, in no circumstances of political difficulty or inconvenience, had the Prime Minister failed to give him of the utmost of his knowledge and consideration and a clear statement of what he believed ought to be done, while he himself as Leader of the Opposition had done all that he could have done to be helpful. His contribution had been fairly and fully considered by Ministers and he had no cause for dissatisfaction or grievance against Ministers or the way in which they had dealt with opinions that he had expressed to them. As the direct outcome of "the sensible outlook of the Prime Minister on the problem of national unity", the Australian nation was better equipped now to meet any consequences of the war than was the case when the war started. There were still, however, certain points of fundamental difference between the Opposition and the Government as to how the war should be waged, and any attempt to amalgamate those points of view in Cabinet, where there would be long debates, would be far more mischievous in delaying action than the expressions of opinions pro and con in Parliament. He expressed some surprise at Hutchinson's suggestion that he was dissatisfied with the Government's programme for, except with regard to two or three fundamental points of view, Mr Curtin himself was entirely satisfied with what the Government had been doing. By and

large the Government could not blame the Opposition for any deficiency in the war effort; nor could the Government supporters claim that if the Opposition were in the Government the Government would do better than it had done. He regretted that Hutchinson had raised the matter at this juncture and saw no practical value in it.[1]

Later in the month, during the debate on the war effort, the question was raised again and Curtin enlarged his views on the functions of the Opposition. The basic differences of opinion between Labour and the Government concerned compulsory service and "the number of military units that should be sent overseas". Because of these differences it would be an act of unwisdom for him to thrust himself or his party into a national government. "We feel," he concluded, "that it is far more advantageous to national unity for the workers of Australia to see the spectacle of their party remaining loyal to them as a class yet, at the same time, supporting the Australian nation in the greatest ordeal that it has yet been called upon to face."[2]

The full meaning of Curtin's words becomes clearer in the subsequent debate, for example, when Ward made it plain that at least a section of the Opposition completely distrusted any non-Labour party, would not work with it and was more directly interested in ensuring that it made way for a Labour Government. The object of the members opposite, said Ward, was to preserve capital and the aim of the Labour Party was to end such conditions. They were urging the cooperation of the Labour Party for the one purpose of giving effect to a policy suitable for big business but the Labour Party would organise the nation's resources by nationalising and taking complete control of their industries.[3]

In an address to Sydney business men on 7th June, Menzies also recognised these practical difficulties, saying that a national government would be worth nothing unless it had the support of the trade union movement. There were real differences between the policy of the Government and the policy of the Labour Party and he would not participate in any move which meant that the policy that the Government believed in was to be chopped down or reduced in order to accommodate somebody else. He challenged his critical audience by asking them whether they wanted a national government at the price of ending compulsory military training or the abandoning of the sending of the A.I.F. abroad. Although in saying this Menzies may have overstated the position a little, he presented the real nature of the political problem clearly and emphatically —national unity is found in policy and not in Cabinet-making.

The popular advocacy of the national government grew, however, and found some support within the Labour Party itself. As seen above, at the special conference of the Australian Labour Party in June during the parliamentary recess, Labour found its answer to the charge of not

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[1] *Commonwealth Debates*, Vol 163, pp. 820 et seq.
[2] *Commonwealth Debates*, Vol 163, pp. 1362-68.
[3] *Commonwealth Debates*, Vol 163. pp. 1392 and 1402.

cooperating by putting forward the suggestion for a national war council. The suggestion for such a council was not novel, something of the kind having been mooted in Parliament by Page and Jolly[4] during the May debate on the war effort.[5] After the June conference Curtin had further conversations with Menzies and on 24th June formally submitted to him for the consideration of the Government a proposal for the formation of a National War Council including representatives of Labour. He recalled that from time to time Menzies had imparted to him matters of state which had affected the recommendations he had made to his party but which he had been precluded from disclosing. He suggested, in effect, that the confidence reposed in him as Leader of the Opposition should be extended to a selected number of his colleagues who would act with him as representatives of the Labour Party on the proposed war council. Such a council would also help to ensure that there would be opportunities for collaboration in order that the conduct of the war could be carried out with the greatest speed and efficiency and the least amount of friction. It was not intended that the proposed council would be an executive body or that it would duplicate the War Cabinet.

When this proposal was presented by Menzies to his colleagues in the Cabinet, however, they took the view that it was unreasonable that such complete and confidential knowledge should be given to a body which accepted no responsibility for decisions or actions and that to have an "advisory Cabinet" side by side with a "directing and executive Cabinet" would make impossible demands on the time of ministers. What was most needed for a genuine concerted national effort was a national government.

Menzies then made a definite offer in a letter of 12th July to Curtin, to give five or possibly six seats in the Cabinet to the Opposition, to stand down from the Prime Ministership himself if his personal occupancy of that office stood in the way of the formation of a national government, and to create a new Department of Labour and to give the ministerial portfolio to a member of the Opposition.

It was well known at that time from the text of the resolution agreed to by the special conference of the Australian Labour Party, that Labour had declared itself against joining a national government. The Government, departing from the practical reality of Menzies' statements during the debates of May, was itself yielding to the pressure of popular opinion. The elections were fast approaching and there seemed to be a growing disposition to blame Labour for impeding national unity—or at least some Government supporters measured popular opinion in those terms and thought that the Government could make an effective stand on that issue.

Labour debated the offer of portfolios at a meeting of the parliamentary Labour Party in Canberra on 6th August and rejected it. Negotiations ended and the decaying remains of non-party government were carried out to be exposed on election platforms.

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[4] W. A. Jolly, CMG. Mayor of Greater Brisbane 1925-30; Lord Mayor of Brisbane 1930-31; MHR 1937-43. Public Accountant; b. Spring Hill, Brisbane. Died 30 May 1955.

[5] *Commonwealth Debates*, Vol 163, pp. 1383 and 1407.



OUR EMERGENCY LIFE-SAVING SQUAD.

Scorfield in Bulletin *(Sydney) 11 Sep 1940.*

The trained precision of surf life savers is familiar to most Australians. The cartoonist contrasts the complete disorder of the political team. Menzies the "beltman" is hampered by Curtin, Beasley, Cameron and others. In the background Lang (leader of the N.S.W. Lang Labour Party) is being characteristically vehement, and in the far background the "Watchman", a radio commentator of the day, harangues the crowd.

6—THE GENERAL ELECTIONS OF SEPTEMBER 1940

The election campaign of September 1940 was brief and the results inconclusive. In a democracy where the intensive study and practice of politics are customarily left to the enthusiasts, an election campaign is an educational process, and when a campaign is rushed the electors are asked to give the answers before they have taken their course of instruction. By the exigencies of war, the 1940 campaign had to be brief, and even in that brief period ministers could spare little time from administrative tasks to explain their administration to the people. Government campaigning was less intensive than usual, the Prime Minister taking the view, probably a mistaken one, that a Cabinet would best commend itself to the electors by continuing at the post of duty.

Yet the main issue was less complicated than at most elections. Should the responsibility for directing the national war effort be entrusted to Menzies and the parties supporting him or to Curtin and the party supporting him? There were some side issues, including a campaign against the Government because of the introduction of petrol rationing; this was sponsored by petrol traders, automobile industries and road transport interests, and appealed blatantly to the selfishness of all users of petrol. Another side issue was the claim of the wheat growers for special assistance—a claim resisted by the Government and made the subject of promises by the Opposition. Of a different kind, but still a side issue, was the question of a national government. In a good deal of the press comment and some of the speeches from the Government candidates the suggestion was put before the voters that what they were to decide was whether or not there should be a national government, although it should have been quite clear before the election campaign started that a national government was already outside the scope of practical politics, that it could not be brought into existence by any vote at the general elections, and hence that the Australian elector was required not to vote for a wish or a speculation but to choose a party government.

Curtin opened the Labour campaign in Perth on 23rd August in a broadcast speech which followed closely the decisions of the June conference of the A.L.P. and made it clear that the Australian Labour Party, in cooperation with other nations of the British Commonwealth, would prosecute the war actively if returned to power. He also made some attractive promises such as increased pay for the militia and the A.I.F., a guarantee of higher prices to wheat growers and the restoration of the Commonwealth Line of steamers to ensure cheap transport of primary products overseas, an increase in old age and invalid pensions and a review of taxation to make assessments conform to the principle of ability to pay. Of more general appeal, but nevertheless attractive to various sections of the population, were his declarations of an intention to overhaul the many wartime boards and commissions which had been created, to end profit-making and the serving of self-interest, and to increase social benefits.

The Labour campaign also rested heavily on charges that the Menzies Government had conducted the war effort inefficiently and in a way that



(Authorised by H. A. L. Allibon, Secretary, The Victorian Automobile Chamber of Commerce, 357 Elizabeth St., Melbourne.)

Advertisement in Herald *(Melbourne) 20 September 1940*

One of a series of advertisements sponsored by the Victorian Automobile Chamber of Commerce in the general elections of September 1940. Petrol and motor trading interests campaigned throughout Australia to try to defeat the Menzies Government because it proposed petrol rationing.

favoured privileged groups, while sectional discontent was exploited in declarations regarding such subjects as petrol rationing.

The Prime Minister, in opening his campaign on 2nd September, gave perhaps undue attention to the past history of attempts to form a national government, apparently feeling a need to explain why an election was being held in wartime, but he then proceeded to ask the country to choose a single leader. He explained and justified the record of his wartime administration, made no promises, except that greater sacrifices would be required, and called for a national effort literally to the point of death or exhaustion. He then cast doubt on the ability of a divided Labour Party to provide an effective wartime government. He made no promises of benefits or relaxation of wartime controls but sought instead to explain the reasons for and the results of the action which the Government had taken. "On behalf of the Government," he said, "I cannot promise you easy things. I rather call upon you to put upon one side your dreams for tomorrow and set about winning the supreme and desperate battle of today."

The strength of the parties in the old Parliament had been as follows:

Senate

United Australia Party	16 seats
Labour Party	16 „
United Country Party	4 „

House of Representatives

United Australia Party	25 „
United Country Party	16 „
Independent Country Party	1 seat
Federal Labour Party	27 seats
Non Communist Labour Party	5 „

The result of the election was:

Senate (as before)

House of Representatives

United Australia Party	22 seats
United Country Party	14 „
Independent (supporting U.A.P.)	1 seat
Independent Country Party	1 „
Federal Labour Party	32 seats
Non Communist Labour Party	4 „

The Government thus had a majority of only one after providing a Speaker, and would have to depend for its existence on Independents. The Independent Country Party member was Wilson[6] from the Wimmera who hitherto had shown that his primary concern in politics was to protect the interests of the wheat farmer. The Independent successor to the late

[6] A. Wilson. MHR 1937-45; Administrator of Norfolk Island 1946-52. Wheat farmer; of Mallee district, Vic; b. Whitespots, Co Down, Ireland, 7 Jun 1890. Died 26 Jan 1954.

Sir Henry Gullett in the Victorian seat of Henty was Coles,[7] a successful business man and former Lord Mayor of Melbourne, a man of proved business ability and a sense of civic duty, who had declared himself in favour of a more effective and more closely united war effort.

There were no marked changes in the enrolment for the election and, with occasional small exceptions, the wartime transference of population had not yet altered significantly the character of the electorates. The percentage of electors who voted (94.82) was lower than in the post-depression elections but the fall was not greater than might be readily explained as the consequence of a brief election campaign and the effects of war on the routine of people's lives.

A close analysis of the figures reveals that the swing against the Government was limited to New South Wales. In that State Labour won three seats (Barton, Macquarie and Watson) from the United Australia Party and two seats (Calare and Riverina) from the Country Party and, in nearly every electorate, Government candidates polled fewer votes in 1940 than they had done in 1937. Figures for all other States, however, despite the loss of Maranoa by the Country Party in Queensland and Wannon by the United Australia Party in Victoria, did not show any similar consistent trend against the Government. Having regard to the drift away from the U.A.P. and U.C.P. which had been apparent in 1937 and in subsequent by-elections, the 1940 election (except in New South Wales) suggests that the Menzies Government had slightly recovered favour. In most seats in Victoria, both those they won and those they lost, Government candidates polled more heavily than they had done in 1937 and Menzies himself had a personal triumph in Kooyong, where the total of his supporters rose from 31,690 in 1937 to 44,161 in 1940. In Queensland the U.A.P. had an advantage in southern electorates, where they came within 400 votes of winning Brisbane, which they had lost by 4,000 in 1937, and polled more heavily in Moreton and Wide Bay. In Lilley, a safe Labour seat where the enrolment had increased, the respective positions of the parties were unchanged but in Herbert the Labour majority was reduced from 20,000 to 8,000. In the rural electorates of Capricornia, Darling Downs and Maranoa however, there was a slight movement of votes in favour of Labour, and in Maranoa it was sufficient to defeat the Country Party. The fact that Maranoa was won back by the Country Party in 1943, when the general trend of the election clearly favoured Labour, suggests that some temporary factor was responsible for the change in 1940. In South Australia the traditional United Australia Party seat of Wakefield, which had gone to Labour at a by-election, was regained by the U.A.P. In the safe U.A.P. seats of Boothby and Grey, and the Labour seat of Hindmarsh, the non-Labour vote was heavier than in 1937. In Western Australia there was a slight but marked move in

[7] A. W. Coles. (1st AIF: 6 Bn.) MHR 1940-46; Chmn War Damage Commn 1942-48; Chmn Rationing Commn 1942-50; Chmn Aust National Airlines Commn 1946-50. Company manager; of Melbourne; b. Geelong, Vic, 6 Aug 1892.

favour of the Government in every electorate, although no seats changed hands, while at Fremantle Curtin's majority of nearly 8,000 in 1937 was pulled down to a majority of little over 600 by the persuasive campaigning of F. R. Lee. In Tasmania there was also a decided move in favour of the U.A.P., which won Wilmot and Denison.

These impressions that the swing against the Government took place only in New South Wales are confirmed by the study of the first preference votes cast in the Senate election. Excluding New South Wales, the total of first preference votes showed that, whereas in 1937 the non-Labour groups in the five States received 92,650 fewer votes than the Labour groups, in 1940 they received 276,595 more than Labour did. In New South Wales in 1937 the Labour groups had 36,000 more votes than the non-Labour groups, while in 1940 they had an advantage of 153,000 votes.[8]

It would appear that five States of Australia were ready to endorse the record of the Menzies Government and to confirm it in office, though perhaps not enthusiastically. New South Wales clearly rejected it. Why was this? In two cases, Barton and Macquarie, the calibre of the Labour candidates might have contributed to the Labour gain. But the movement towards Labour was too general in New South Wales for any explanation which applies to a single electorate to be convincing. Another factor may have been that New South Wales, as the most highly industrialised State, had felt the effects of war or found criticisms of the war effort of which other States were not conscious; yet the loss of votes can be seen not only in industrial areas but also in the country. Nor is there sufficient ground for assuming that the response of wheat farmers, petrol users, pensioners, or other groups to the promises given by Labour would be any different in New South Wales to the response by the corresponding

[8] Comparisons between the total votes cast for one party or another in elections for the House of Representatives are always imperfect because of uncontested seats, a multiplicity of candidates and the difficulty of estimating the value of the votes for Independents in those electorates where the return of a candidate by an absolute majority leaves the preferences undistributed. The first preference votes cast in Senate elections, however, can be used for a comparison between one election and another because they include all electoral divisions, the grouping of candidates in party groups tends to make the choice between the parties clear cut, and the exhaustive ballot gives a clear indication of the direction in which Independents lean. The following comparison between 1937 and 1940 Senate elections, it is suggested, is inexact only insofar as it disregards such imponderables as whether there was a strong team at one election and a weak team at the next and the vagaries of those electors who might vote for one party in the House of Representatives and another party in the Senate.

Senate Elections: First Preference Votes

	U.A.P. and U.C.P. Groups		Labour Groups		Independent Groups or Ungrouped Candidates	
	1937	1940	1937	1940	1937	1940
N.S.W.	675,614	604,460	711,728	757,941	18,646	30,533
Victoria	389,294	568,172	473,664	440,380	93,093U	28,767
Queensland	239,060	288,495	230,713	236,218	49,801L	11,318
S.A.	123,071	181,897	120,142	140,642	60,382+	7,018
W.A.	90,573	126,414	103,300	83,676	13,128U	13,167
Tas.	52,796	61,700	59,625	49,167	—	2,852
Total for 6 States	1,570,408	1,831,138	1,699,172	1,708,024	235,050	93,655
Total for 5 States, excluding N.S.W.	894,794	1,226,678	987,444	950,083	216,404	63,122

U — Majority of preferences went to U.A.P.—U.C.P.
L — Majority of preferences went to Labour.
+ — Preferences divided equally.

groups in other States, although it is significant that the Labour victories in Calare and Riverina, like the victory in Wannon (Victoria) and Maranoa (Queensland), were made in wheatgrowing electorates by Labour candidates who made a strong point of the distress of the wheat industry and roundly attacked the private banks. Closer attention to the wheat industry by Menzies might have saved all four of these for the Government.

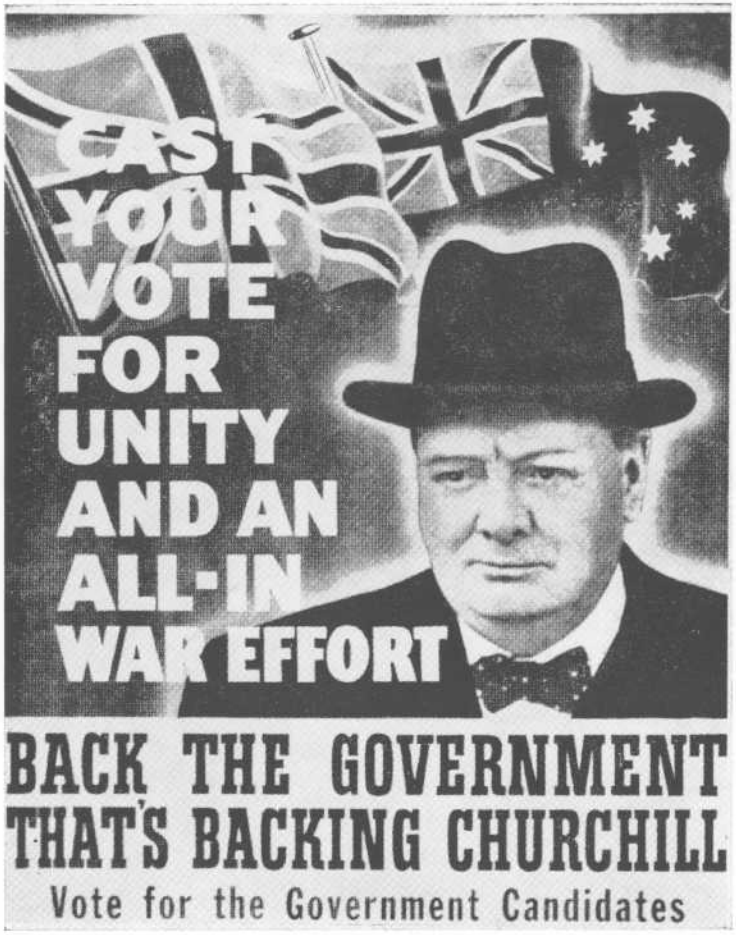
There remains the fact that the Government was defeated in New South Wales only. The election of 1940 was one which, to an unusual extent, was decided on reputation rather than policy. Had the reputation of the Menzies Government suffered in New South Wales in any way in which it had not been affected in other States? It is possible to remark here a greater severity and constancy of public criticism of a niggling kind in the New South Wales press ever since the commencement of the war. A newspaper reader in New South Wales would certainly have been more likely to have gained the impression that the war was not being carried on vigorously or efficiently by Menzies and he would also have probably gained the impression from his newspapers that Menzies both made mistakes and was also bent on conducting the war for the advantage of Melbourne and to the injury of Sydney. More than one contemporary commentator gave considerable value to this narrow parochialism in explaining the vote, and Sir Earle Page, a New South Wales member, was quoted as saying: "The vote in New South Wales was not so much a vote for Labour as a vote against domination of national affairs by Victoria". Menzies commented drily: "I don't think that we were beaten by our political enemies in New South Wales". Besides recording this contemporary opinion it may also be remarked that in New South Wales such events as the prolonged coal strike, the activity of subversive groups, censorship and internment, had provided occasions by which the Government's handling of current matters had come frequently under public notice and given more chances than elsewhere for it to offend both those who thought it repressive and those who thought it should have taken sterner action against left-wing extremists.

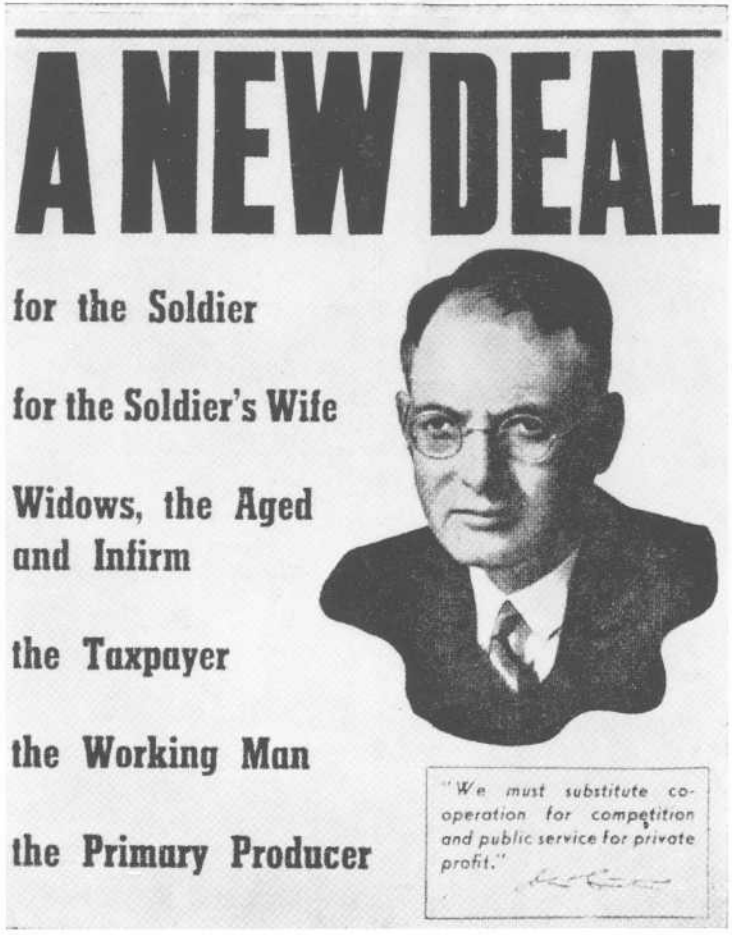
The election of 1940 was inconclusive and left the Government and the nation handicapped. The inconclusiveness might be interpreted as an expression of some vague desire of the people for a government of the centre and unwillingness to show marked favour to any single party. The Government probably harmed its own campaigning by talking so much of national government instead of making a strong outright bid for support and it did not campaign as vigorously as its opponents. The result might also be interpreted, on the other hand, as a result of indecision and an inability to choose which of two parties was the better and, if so, such indecision probably stemmed from the fact that there was still apparent in Australia a good deal of uncertainty as to the way in which the war was likely to develop and the kind of war effort that Australia could best make.

The chances of the election brought into the parliamentary Labour Party two new members who were to become outstanding in Labour's wartime administration. Dr H. V. Evatt, who, ten years before, at the age of thirty-six had left a political career as a Labour member of the New South Wales State Parliament to become a Justice of the High Court of Australia on the nomination of the Scullin Government, took the unprecedented step of resigning from the High Court Bench at the height of his judicial career in order to contest the Barton seat. On the one hand were those who thought his action improper and dictated only by a restless ambition and a calculation that there was a quicker path to the office of Prime Minister than to that of Chief Justice. On the other hand were those who saw it as an act of patriotism by which the distinctions and comforts of high judicial office had been sacrificed for the chances of politics in order that his undoubted talents might be available to the nation in a time of emergency. The electors of Barton clearly showed that they took the second view and returned him to Parliament with a majority of 14,000 in an outer suburban seat which had previously been held for years by non-Labour members, and his personal prestige was counted one of the factors that enhanced the reputation of his party.

The other acquisition was Mr Chifley who had formerly represented Macquarie from 1928-1931 and had served as Minister for Defence in the Scullin Government and now returned to Parliament with the advantage of additional experience as a union advocate, a member of the Royal Commission on Monetary and Banking Systems and, for a brief period, Director of Labour in the Department of Munitions—a post which he relinquished on election. Mr Chifley, who had left school at fifteen and later worked his way up in the New South Wales Railways Department to become a locomotive engine driver, was endowed with a clear, hard, practical mind with an unusual capacity for simplifying the intricacies of finance and economics and taking swift and firm political decisions with a keen insight into their practical effects. He had, moreover, a quiet, tenacious, solid grip on both the faith and work of trade unionism and brought to the councils of the party an unchallengable integrity, the respect of the unions, an obstinately practical socialism and a laconic commonsense. In Evatt the Opposition had gained a restless, energetic and ambitious member with brilliant parts, and one who, as his own biography of the Labour leader Holman had shown, had an inordinate interest in political manoeuvres rather than in ideas. In Chifley they had regained a central pillar of strength standing squarely on socialist ideals and supporting the edifice of a working-class party.

The chances of the election had also made it appear for a time as though Curtin might lose his own seat. He eventually retained Fremantle by a narrow majority but the realisation that he might have been lost to them, even though temporarily, made the Opposition aware of the importance of this individual to them. In the five years since he had gained leadership by a single vote, he had become essential both for the unity of the party





Advertisements in Herald (Melbourne) 10 September 1940

Appeals to electors—September 1940.

United Australia Party and United Country Party.

Australian Labour Party.



Argus (Melbourne)

The Advisory War Council after they had been sworn in on 30th October 1940. L. to R. (standing): the Hon. N. J. O. Makin, the Hon. P. C. Spender, K.C., the Hon. A. W. Fadden; (sitting): the Hon. J. A. Beasley, the Rt. Hon. W. M. Hughes, K.C., the Rt. Hon. R. G. Menzies, K.C., His Excellency the Governor-General, Lord Gowrie, V.C., G.C.M.G., C.B., D.S.O., Mr John Curtin, the Hon. F. M. Forde.

and for the contribution of the party to the national war effort. If he were to go there was no immediate prospect that they could obtain another leader of equal stature and a clear certainty that the attempts to find one would revive acutely those internal struggles which had already limited the political effectiveness of Labour.

CHAPTER 6

CLEARING A WAY TO TOTAL WAR, OCTOBER 1940-JANUARY 1941

1—THE PROBLEM OF A WORKABLE PARLIAMENT

AFTER the election there was a disposition among some members of the Government side to interpret the indeterminate vote as an expression of opinion in favour of an all-party national government. This piece of electoral mathematics is hard to follow. It is true that a number of candidates on the Government side who had advocated national government had been returned but Labour candidates who had opposed national government had also been returned. An inconclusive result for the whole nation might indicate that neither party had been able to commend itself so strongly to the floating voters as to gain a large majority of the seats, but it did not mean that the floating voters, by telepathy or collusion, had contrived to produce an even balance so that neither party would be able to govern without the other.

Yet, whether or not the voters intended it, the election results, by creating a position in which party government would be precarious, revived the question of all-party government. After providing a Speaker, the United Australia Party and the United Country Party would have only 37 supporters on the floor of the House, including 2 Independents, facing 36 in the two Labour parties. A leader backed by a tightly-knit and loyal party might well have been dismayed at the prospect of trying to manage Parliament on those terms; Menzies would have to attempt it at the head of a coalition containing more than its due proportion of factious and discontented individualists. The situation was one to shake loose party adherence, for even the least of the followers was endowed with exceptional power.

At the declaration of the poll in his own electorate of Kooyong on 5th October, the composition of the House of Representatives then being known, the Prime Minister spoke in favour of an all-party government, saying that it would be a calamity for Australia if negotiations to that end failed.

To explore the possibilities, he invited Curtin, leader of the parliamentary Labour Party; Cameron, leader of the Country Party; and Beasley, leader of the Labour Party (Non-Communist), to meet him in Melbourne, and separate conversations with them individually took place on the 7th. In effect, the party leaders were asked if they were willing to join a national government and, if so, on what terms. Each of them, without commitment, promised to refer the question to his party.

The Country Party's advocacy of a national government had been constant and, as the necessity and possibility of change became clearer, Sir Earle Page, who had proposed a national government even before the war, moved towards that personal reconciliation with Menzies which had

to precede any effective contribution on his part towards achieving the object. Cameron, working to the same end, brought about a meeting between Page and Menzies in Melbourne on 10th October and subsequently described the results in a public statement as follows: "The Prime Minister and Sir Earle Page met this morning. They discussed the political situation arising from the recent election, and had a lengthy conversation on the desirability of forming an all-party national government, and the ways and means by which the result might be assisted. They agreed that only by the formation of a national government could a maximum war effort be achieved".[1]

The defeat of two Country Party members of the Ministry—Thorby, the Postmaster-General; and Nock, Assistant Minister—made urgent the reconsideration of the Country Party's membership of the Government, apart from any outcome of the negotiations for an all-party government, and an additional complication was brought about in mid-October by a crisis in the Country Party. Country Party members had resumed meeting as one party but the division between the Cameron-Page group and the respective supporters of McEwen and of Fadden remained. When in their post-election meeting the seventeen members from both Houses gathered to elect a leader, McEwen was immediately nominated by one group but then, apparently to the surprise of some of the members, Page was nominated. Somewhat tardily the nomination of the party's leader followed but was apparently made in such circumstances that Cameron, who had already faced some criticism from members of his own party for his actions as minister, took it that a movement to replace him had been plotted within his own group, and that Page was trying to recapture the leadership. He left the party room and, although induced to return to preside over the election, he refused either to be considered as a candidate or to take part in the voting. The votes of the other sixteen members were evenly divided, eight for McEwen and eight for Page and, eventually, after neither group would change its voting, a way out of the deadlock was found by unanimously electing A. W. Fadden as deputy leader and asking him to act as leader for the time being.

There was apparently no grave difference over policy between the two groups. The original differences between them had arisen over the question of cooperation under Menzies. Page's public reconciliation to Menzies had not, however, brought about a private reconciliation of all his party with Page. Cameron spoke his mind with customary vigour and exceptional bitterness when, in his letter of resignation, he wrote of the "everlasting intrigue and manoeuvring for personal advantage" inside the party and described its "internal state" as a "stew of simmering discontent, spiced by insatiable personal ambitions and incurable animosities". No leader could lead successfully, he added, if he must devote most of his time to outwitting rivals, or outbidding them for support, or watching every footfall lest he stumble on a mantrap or a mine. The call to unity had been

[1] *Herald* (Melbourne) 10 Oct 1940.

unheard or unheeded in the party's own room. Australia expected something better and the times demanded it.

Cameron, who had been a vigorous and determined minister, offered his resignation from the Cabinet on 16th October. For the rest of the war, from the back benches, he became one of the sharpest tongued and most uncompromising critics of anything in the conduct of hostilities that seemed to him to be less than the utmost. From the start his view had been that wars could only be won by fighting and the sooner and harder Australia fought the better. He became increasingly and indiscriminately intolerant of any hindrance to the war effort and ended by being described by a journalist as a powerful locomotive with a full head of steam but no rails on which to run. Cameron's rejoinder was that some others in Parliament had a fine set of rails and no steam.

Fadden, the new deputy leader, acting as leader of the Country Party, was a Queensland member. In rising by his own enterprise and wits from being offsider to a gang of cane cutters as a boy of fifteen to a busy accountant at the age of thirty, looking after the business and taxation returns of sugar growers, miners and pastoralists in Townsville, he had learnt how to get along with people and how to handle affairs without becoming deeply involved in them. He was an affable, astute, story-telling man, untroubled by the deeper significance of problems and thus the readier to dispose of them. He had been four years in the House, was forty-five years of age, and had been an Assistant Minister for five months and a Minister for two. He was not the cleverest, the most experienced, or the wisest man in the Country Party, but he was the best colleague and probably the staunchest character.

In the meantime the Labour Party and the United Australia Party had re-elected Curtin and Menzies as their respective leaders. In the Labour Party, however, there had been changes in the party executive. Brennan and Ward, who had voted against the majority of the party on the National Security Amendment Bill in the previous Parliament, were dropped. Both Evatt and Chifley were included. This did not mean, however, that the Labour Party's internal problem was simply that of a rebellious Left wing which was at the moment in a minority, or the persistence of the Lang Labour group as a separate party under Beasley. There were other movements and, in particular, the immediate and intense activity of Evatt, influential because of the prestige he had brought with him in the descent from the Bench, but under the necessity, too, of living down his reputation as an intellectual. It was, however, no gift of theory or philosophy that the new member brought to the party executive. It soon became clear that his determination was to find a way of taking office and his prime interest was in the tactics which would serve that end. A friendly observer early remarked in him "a pugnacity which does not do justice to his great powers".[2]

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[2] *Austral-Asiatic Bulletin*, Oct-Nov 1940.

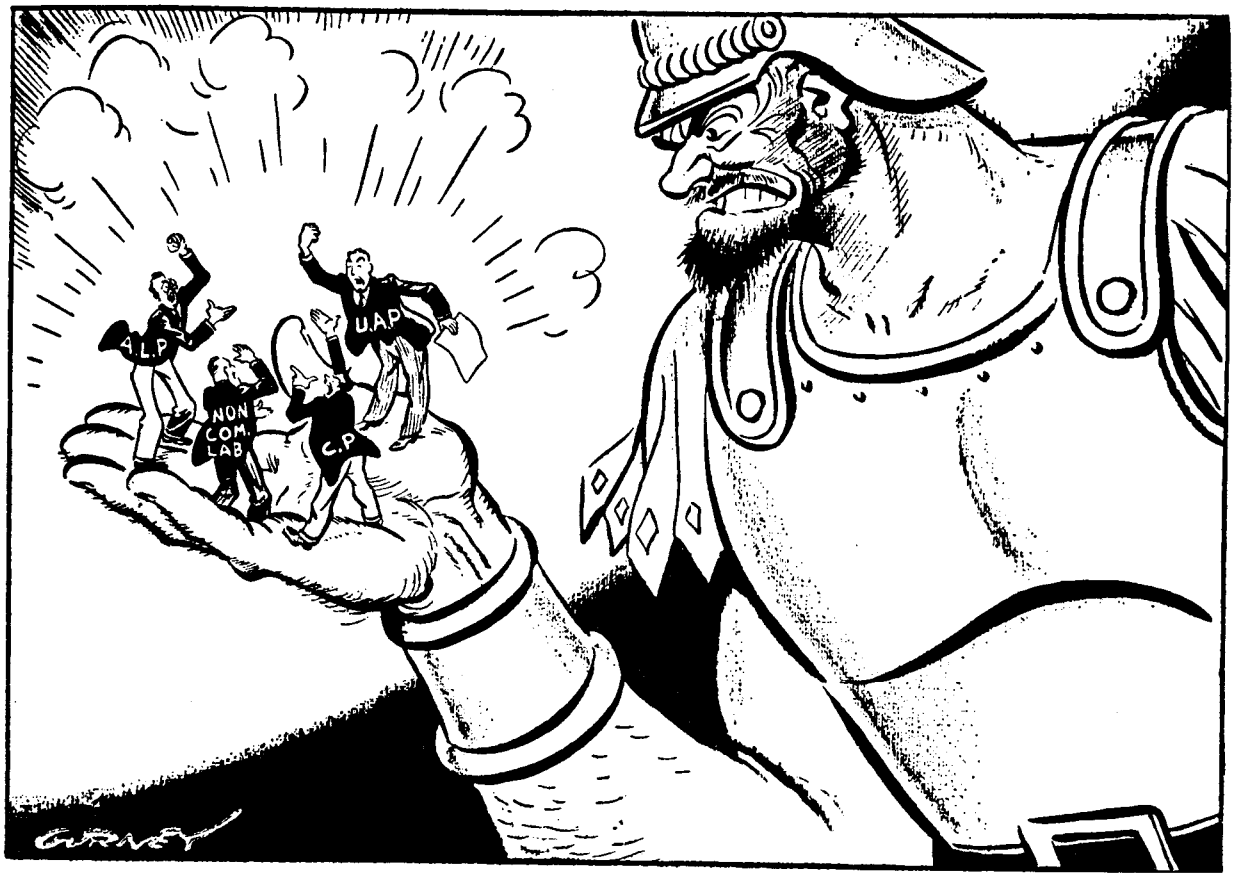
Curtin had already had reason to be careful that the Left wing did not either impede the national war effort, split the party or alienate the electorate by the manner of its opposition to the Menzies Government. He now found reason to be equally careful about those, of whom Evatt was the most eager, who were avid for office. There were two problems for a thoughtful leader. Was the Labour Party yet sufficiently united both organisationally and in its views on wartime policy to take office as a wartime government? By what means and with whose aid and by what association of forces would office be gained?

There was still a minority of Labour members who looked kindly on the idea of national government. Some of those closest to Curtin have since stated that Curtin himself was at that time disposed to look on a national government as a necessity for a united war effort but was counselled against it by the "stalwarts" of Labour. The majority of the party was clearly against national government and there was little practical possibility that it could be brought about except by splitting Labour and handing over the Opposition to the extreme Left. Yet it could not be dismissed offhand. There was a great responsibility on the parties in Parliament and a high expectation in the country that something should be done, in this time of national danger, to ensure that Parliament could work and that the executive could function effectively. No Australian party could contemplate readily an early dissolution of the House and another election, for the interruption and dislocation of the war effort might be serious and, at the lowest level of calculation, any party which forced another election on the country would be likely to incur the disfavour of the electorate.

How does a party which is in a minority of one or two obtain office without an election? By converting some of the other side to its support. That was what was eventually done with the two Independents, but such conversions do not come like a blinding light. And when some Labour members found other Labour members talking of taking the initiative and trying to form a government, they thought how else could it be done than by combining with some discontented fringe of the Government parties. Would such a combination not in fact mean that there would be, not a Labour government, but a government led by someone who had come out of the Labour party? Some of the practical and experienced Labour men, who had memories of party history, were inclined to look cautiously at those ambitious colleagues who talked about forcing their way into office.

At a party meeting at Canberra on 15th October, the day following the re-election of Curtin as leader and the election of the party executive, the Labour Party discussed the political situation and the question Menzies had put to Curtin whether Labour would join a national government and, if so, on what terms. The meeting agreed to a resolution, which was ascribed to Evatt in contemporary reports, by which Labour sought to seize the initiative from the Government by declaring Labour's determination to strengthen the war effort and ensure that Parliament could carry on effectively, and inviting the cooperation of all other parties and all Independents to that end. As an essential part of the war effort, steps

LITTLE MEN, WHAT NOW ?



Gurney in Herald (*Melbourne*), *8 Oct 1940.*

should be taken to put into effect "the substantial aims of Labour's electoral policy" as announced by Curtin, and, to serve that end, too, Labour again invited the cooperation of other parties and Independents. Menzies, however, did not accept a Labour Party resolution as a reason for handing over the initiative in negotiation to the Opposition. He chose to read this resolution, when it was communicated to him, as a reply to the questions he had asked of Curtin in Melbourne. He assumed it meant that discussions with party managers could usefully take place, and invited the Labour Party and the Non-Communist Labour Party to send three representatives to a meeting on the following morning.

The meeting was held in the Cabinet Room at Parliament House, Canberra, on the afternoon of the 16th under the chairmanship of Menzies, who had with him Fadden, Hughes, Spender, McEwen and Page, representing the United Australia Party and the United Country Party. Curtin, Forde, and Evatt had been elected to represent the Federal Labour Party and Beasley, Rosevear and Mulcahy[3] to represent the Non-Communist Labour Party, while Coles was also present as an Independent. A public statement issued subsequently said that the talks were of a purely exploratory kind.

Two further meetings were held in the following week but from these meetings Evatt was absent, having been taken ill and having been replaced by Makin. These talks led to the production of two documents by Curtin and Beasley setting out the questions of policy on which they respectively sought agreement. The precise nature of the cooperation which would follow if such agreement could be obtained was not at first clear, Curtin simply referring to the subjects as those "on which we are willing to make an agreement in order to strengthen Australia's war effort and to ensure the workability of the Parliament". In acknowledging them, however, Menzies placed on record that Curtin had "indicated that if an agreement should be reached in respect of the matters set out, the Opposition proposed that an Australian War Council should be established" and had later "appeared to be envisaging a War Council of an advisory kind without responsibility for decisions of policy".

The Prime Minister's reply to the submission of these lists was that it would not be useful to conduct a debate in conference on a long list of points which must embody practically the whole of the Labour policy. If there was to be some association of the Labour and non-Labour parties in the business of government there must be a great deal of mutual confidence and goodwill and the representation of Labour in any cooperative body must be such as to compel the fullest consideration of Labour views. He therefore put forward more briefly nine "guiding principles" for cooperation and proposed that the Opposition parties should "accept half the seats in a National Government or, failing a National Government, half the seats in some form of National or War Council, with executive functions". The view pressed by the Government parties was that only "a

[3] D. Mulcahy. MHR 1934-53. Of Sydney; b. Milltown, Ireland, 7 Jan 1882. Died 13 Jul 1953.

full national government" could produce a full measure of cooperation and a sharing of responsibility, and only such a government could give due weight and effect over the whole field of administration to the legitimate views of organised Labour.

The nine "guiding principles" listed soldiers' pay, financial policy, stabilisation of the wheat industry, social policy, trade union cooperation in industrial problems, and post-war reconstruction, but left all the spaces blank for the filling in of details.

When the parliamentary Labour Party considered these proposals at a meeting on the evening of the 23rd, it maintained its preference for an Advisory War Council; and on that night the Labour proposals for such a council were accepted by Menzies after expressions of regret that the negotiations had not led to fuller participation in the government of the nation.

The purpose to be served by the new council and the spirit in which the suggestion was put forward are best indicated by the text of the resolution agreed to at the Labour Party meeting:

> That the Labor Party receives the memorandum of the Prime Minister as indicating the guiding principles to be worked out harmoniously in a workable Parliament and considers that Labor's proposals for an Australian War Council enable the Government and the Parliament to strengthen the war effort and give substantial effect to the requirements for internal security and post-war preparation. The Australian War Council should be representative of all parties and empowered to investigate, advise and assist the Government in its war efforts. The Labor Party will also place the services of individual members of the party at the disposal of the Government to assist Ministers occupied on war and defence efforts. It will not take political advantage, as an Opposition, of its numerical strength to embarrass the Government in its war efforts. The Labor Party, however, hopes that the Government will give effect to a substantial measure of the party's social, industrial and financial policy, with special reference to soldiers' pay and allowances; pensions; housing; unemployment; the plight of the wheatgrowers, and a reorganisation of the finances of the country. The members of the Australian War Council could be sworn in to respect all confidences just as many public servants are, notably officers of the Income Tax Department.

The Council was constituted by National Security Regulations made on 28th October.[4] The regulations were elastic as to the number of members or their term of office. The Prime Minister was to be chairman and the Secretary to the War Cabinet was to be Secretary to the Council. The functions were defined as follows:

> The Council shall consider and advise the Government with respect to such matters relating to the defence of the Commonwealth or the prosecution of the war as are referred to the Council by the Prime Minister and may consider and advise the Government with respect to such other matters so relating as it thinks fit.

Members took an oath to give freely, when required, their counsel and advice on these matters and to respect the secrecy of council proceedings.[5]

By agreement, the Council was composed initially of four Ministers (the Prime Minister, two U.A.P. Ministers and one Country Party Minis-

[4] National Security (Australian Advisory War Council) Regulations Statutory Rules, 1940, No. 235.
[5] *Commonwealth Debates*, Vol 166, p. 600.

ter), and four members of the Opposition (three from the parliamentary Labour Party and one from the Non-Communist Labour Party). Fadden, Hughes and Spender were chosen by the Prime Minister; Beasley was selected by the Non-Communist Labour Party. The Labour Party, in a secret ballot, chose Curtin, Forde and Makin, all men of long-standing in the party, and, by implication, rejected both the eager and the radical. The Council met for the first time on Tuesday, 29th October, in Melbourne.

On the day of the formal constitution of the Advisory War Council—an act which meant that the Second Menzies Government would attempt to continue to govern and implied that the Opposition would cooperate to make Parliament workable—a reconstruction of the Ministry was announced. The resignation of Cameron was accepted, and this, together with the loss of Thorby and Nock, and the ending of the temporary arrangement made after the death of Street, Gullett and Fairbairn, gave room for six newcomers. Harrison and Holt, who had stood down when the coalition with the Country Party was arranged in March 1940, were brought back to office, together with a Victorian U.A.P. Senator, J. W. Leckie,[6] Page, Collins and Anthony[7] were brought in from the Country Party. Out of twelve portfolios, the U.A.P. held eight and the Country Party four, and each party had two assistant ministerships. Fadden, senior Country Party representative, became Treasurer, and Spender, one of the most enterprising of the U.A.P. members, went from the Treasury to the Army. McEwen, who had been shaping well in External Affairs, was given a more active post as Minister for Air. Hughes, while remaining Attorney-General, also became Minister for the Navy, a portfolio previously held by Cameron. Page took the customary Country Party portfolio of Commerce. The necessary coordination between Supply and Development and Munitions was sought by confiding both portfolios to one Minister, Senator McBride, who had previously been assisting the Minister for Commerce and who since the death of Street, had been Minister for the Army. Stewart, who had been Minister for Supply and Development as well as Minister for Social Services, since March, was given External Affairs in place of Supply and Development—an arrangement which signified on the one hand the increasing importance of Social Services and, at the same time, having regard particularly to the fact that he was not in the War Cabinet, the decreasing value placed on External Affairs at a time when a Prime Minister was handling high policy. Foll remained at Interior. Harrison, whose previous experience had been as Postmaster-General, became Minister for Trade and Customs, and Holt, one of the younger members of the party, who had been regarded as showing marked promise as an Assistant Minister, was given the new portfolio of Minister for Labour and National Service, the duties of which were likely to be both exacting and onerous and their successful discharge

[6] Hon J. W. Leckie. MLA, Vic, 1913-17. Senator 1934-47; Asst Min for Labour and National Service 1940-41. Manufacturer; of Kew, Vic; b. Alexandra, Vic, 14 Oct 1872. Died 25 Sep 1947.

[7] Hon H. L. Anthony. (1st AIF: 2 Sig Troop.) MHR since 1937; Asst Treas and Asst Min for Commerce 1940; Min for Transport 1941; PMG since 1949. Of Murwillumbah, NSW; b. Warren, NSW, 12 Mar 1897.

vital to the industrial side of the national war effort. McLeay became Postmaster-General (vice Thorby) and Vice-President of the Executive Council (vice Gullett), his old portfolio of Trade and Customs having gone to Harrison. He continued to lead in the Senate. The Prime Minister remained Minister for Defence Coordination and had with him in the War Cabinet Fadden (Treasurer), the three service Ministers—Hughes, Spender and McEwen—and Foll (Interior). Although portfolios had changed, Fadden was the only newcomer to the War Cabinet.

The most remarkable feature about the reconstructed Cabinet was that out of twenty portfolios, fifteen were in new hands. The ministerial head of fifteen out of twenty government departments was new to the department he administered. The administrative setback as the result both of the Canberra air tragedy and the September elections must have been considerable, particularly as it came at a time when the war effort was being intensified.

The reconstruction of the Cabinet had neither strengthened the Government nor brought greater harmony among its supporters. On the fringes of the U.A.P. there was still dissatisfaction. For the time being dissatisfaction expressed itself publicly in continued sighs for a national government and for suggestions that a further conference, not only between party leaders but including "rank and file" members, should be held, but the thought behind the sighs was sometimes suspect. The Prime Minister was moved a few weeks later by the repeated questions of McCall[8], a New South Wales U.A.P. member, to permit himself to "wonder whether those observations in regard to the formation of a national government are being made with the object of bringing one about, or in order to embarrass me as Leader of the Government".[1]

For the time being the Government had gained some promise of cooperation from the Opposition and had added to the machinery of government an Advisory War Council, which could consider high matters of state without accepting any responsibility.

This novel institution had been devised to meet the particular situation presented by an almost equal division of the parties in Parliament at a time so critical that dissolution could not be lightly considered, and in the circumstances that the minority refused to join an all-party government. Once that particular situation ended the council would lose the merits claimed for it. Those merits were, first, that information regarding the war, which for reasons of state or the requirements of security could not be given to the whole Parliament, might be given in confidence to party leaders and that advice and opinion which might not be proffered formally on the floor of the House could be given confidentially; and, second, that, as a consequence of that exchange of information and opinion, a loose agreement might be reached to ensure that executive action or legislative measures on questions vital to the prosecution of the war did not become a matter of open controversy, or, more to the point, did not lead to the

[8] W. V. McCall. MHR 1934-43. Company Director; b. Chatswood, NSW, 24 May 1908.
[1] *Commonwealth Debates*, Vol 165, p. 577, 9 Dec 1940.

outvoting of the Government and consequent political confusion during crises in which national unity and stability were essential to national survival. In addition, at an early stage in the Council's existence, it was realised that the Opposition members of the Council, being Labour members, might be able to render a special service to the nation in helping to overcome industrial dissatisfaction or unrest, both on the one hand by the value of their advice to the Government, restraining it from blunders and helping it to perfect the machinery of industrial peace and, on the other hand, by their influence on the trade unions, restraining them from precipitate action.

When, at a later stage in the war, another general election gave a clear majority to the Labour Party, the need for the Council lessened and its continuance was more of a courtesy to the Opposition than a necessity either to give stability to the Executive or to make Parliament workable, while the fact that the Opposition was no longer a Labour Opposition lessened the capacity of its representatives on the Council to do anything helpful in the particular matter of industrial unrest.

A body of this character, accepting no responsibility, could not become a significant and enduring part of the machinery of government but it helped to ease the strain in a particular contingency. Even in the period of its greatest usefulness it was open to the criticism that it was assuming some of the functions of Parliament for, instead of that review by Parliament which had been the Labour ideal in the opening months of the war, there was substituted at times a private discussion in the Council followed by a request to Parliament to endorse or to refrain from criticising what had been arranged by a body which met in private and which was not strictly speaking a committee of Parliament accountable to Parliament but rather a creation of the Government and, if it were accountable at all, obliged only by its own sense of national duty and political possibilities to help the Government to govern and to please the parties from which its members came. The party meeting room and the Cabinet, rather than Parliament, reviewed what the Council did.

Yet this curious extra-constitutional body did signify the health of the Australian parliamentary system and the characteristic talent of parliamentary democracies to improvise. In the particular situation, brought about by many conflicting factors, in which neither single-party nor all-party government was possible, a temporary arrangement had been found by which the traditional system of parliament and party was preserved. On both sides of politics there were men who would have liked to give the nation what they called strong government by using quite different methods. The leaders, Menzies and Curtin, however, were both scrupulous. The liberalism of one, founded on the rule of law, and the practical socialism of the other, rooted in parliamentary method, made them both careful of the same tradition. At a time when ambition or the nation's need might have driven other men to seek other courses, they kept the accustomed way.

The Advisory War Council, however, insofar as it sought to share control without sharing responsibility, does not commend itself as a useful aid to the machinery of government. Considered as a device to overcome a particular difficulty, the success of the Council's functioning depended almost wholly on the willingness of the Opposition to give honest cooperation to the Government and on the readiness of the Government to pay deference to the views of the Opposition. Some private inquiries among those associated with the Council at various times and a close examination of the records of the Council, which were kept more fully than the parallel War Cabinet minutes, do not allow one to say that those ideal conditions were always realised. So far as the influence of Curtin prevailed the record is honourable but not all his colleagues were so meticulous and the advantage gained from sitting in the inner room with the Government but not sharing the Government's responsibility was one of the many factors that helped the more eager section of the Opposition on its way to office. On the other hand, when the Government chose, it sometimes reached decisions without the Council's advice and then sought the endorsement of the Council to help commend its decisions elsewhere.[2]

Labour's participation in the Advisory War Council, which was the result of a Labour suggestion consequential on the Labour refusal to entertain the idea of an all-party government, raises a nice point of political conduct. To what extent had this act of cooperation committed them to assist the Government? The originating resolution carried by the Labour Party had promised that the party would not take political advantage, as an Opposition, of its numerical strength to embarrass the Government in its war efforts and expressed a hope that the Government would, however, give effect to a substantial measure of the party's social, industrial and financial policy.

While there may have been no commitment, there was at least an expectation that, so long as the Government showed itself capable of conducting the war effort, the Opposition would not work to unseat it and, on the other hand, an expectation that, subject to the demands of the war effort, the Government would give "substantial effect to the requirements for internal security and post-war preparation". Unless there was such an expectation that these objectives would be achieved the whole proposal for a council, whose creation was directed to these objectives, would be valueless.

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[2] The records of the Council contain several complaints by the Government members regarding the disclosure in the press of the Council's business, and a complaint emanating from departments, that non-Government members had used their position on the Council to go behind Ministers to the departments to obtain information to be used in criticism of the Government. A comparison of the Council Minutes and metropolitan press reports of the 14 and 15 Jan; 22 and 23 Apr; 4 and 5 Jun 1941; and on several dates in Aug 1941, relating to war industries in Australia, Lady Blamey, shipbuilding in Australia, the campaigns in Greece and North Africa, the placing of Australia's views before the United Kingdom Government, munitions production and the projected visit of Menzies to London certainly show that, however it may have come about, press reports were published which were an incomplete and partial account of Council proceedings, that these reports were likely to have created an impression unfavourable to the Government and that, in several cases, they were likely to create an impression favourable to non-Government members, and, on one occasion, to the chances of the Labour Party's taking office.

These speculations concerning the Council are directly relevant to the first major use made of it. This was also the first major challenge to the Government's stability.

The Sixteenth Parliament met for its first session three weeks after the Cabinet reconstruction and the creation of the Advisory War Council. On 21st November, Fadden brought down a £150,000,000 Budget, which contained proposals for higher taxation falling most severely on the higher income groups, but which replaced the exemption from taxation of incomes below £250 by an exemption of incomes below £150. This Budget had previously been discussed in the Advisory War Council, but the chief result of its consideration in the Council was, not agreement, but rather a heightening of controversy and a working up of opposition to the proposals before even the Budget was introduced. Following a meeting of the Council on the 8th November, the press carried reports of a "deadlock" on the Budget proposals and rumours about such details as the downward extension of income tax, payments to wheatgrowers and a difference of view on the extent to which central bank credit could be used to finance the war. The reporters had obviously found someone, a member of the Council, and possibly more than one, ready to talk, or they had guessed shrewdly from hints dropped by some member of the Council. Apart from the doubts occasioned as to the secrecy of the Council, the effect was that for ten days before the Budget was introduced its proposals, or its conjectured proposals, were being discussed in party rooms and in the press, and positions were being prepared.

The Labour Party, at a caucus meeting at which, according to contemporary reports, opinion was divided, decided to make a challenge to the Government on the Budget. In the House on 28th November, Curtin, after saying that the Labour Party raised no objection to the amount of the Budget, applied himself to the problem of "the best and most equitable way to find this vast sum of money", and ended by moving an amendment which, if carried, was to be regarded as an instruction to the Government that the exemption in the income tax be not reduced as indicated; that the tax rates on higher ranges of income be increased; that the proposed wartime company tax be revised to ensure that the large companies bore a greater proportionate burden than the small companies; that the pay to soldiers and the provision for their dependants be increased; that a further payment be made to wheatgrowers; and that, in respect to financial policy generally, the resources and functions of the Commonwealth Bank be used to the limit of safety, and, in order to provide against inflation, the private trading banks be regulated in order to prevent them from building up "a superstructure of bank credit on the monetary expansion arising from war conditions".

So far as the points raised against the Budget were a suggestion for using a different method of raising revenue and a representation of the hardships that the Government proposals might impose on lower income groups they could scarcely be regarded as running counter to the promise of cooperation. But some of the points and the way in which the whole

were stated were undoubtedly raised in an attempt to gain an advantage over the Government. The statements on soldiers' pay, pensions, payments to wheatgrowers and use of bank credit rather than higher taxation were a renewal of Labour's election campaign and a challenge to the Government either to accept Labour's policy or refuse to give to sections of the electorate the benefits that Labour was promising them. Accept or refuse, the Government would lose ground—and Labour would gain. Of course there had never been any undertaking that Labour would not seek to advance its own policy or that Labour would renounce hope of office; nor in the normal course of politics would it be expected that the Opposition should assist the Government to produce and gain acceptance for its Budget. If Labour had been prepared to cooperate in that way there would have been an all-party Government. The fact was that the differences between Government and Opposition, both in the principles of war finance and on their respective campaign platforms, had not been removed by the creation of the Council.

On this occasion, the Advisory War Council performed the functions it was planned to perform after rather than before the parliamentary crisis had arisen.

In the House, Menzies, rather precipitately, though in an impromptu speech that brilliantly demonstrated his great powers of debate and capped all that Curtin had said, took up the challenge. The motion was moved, no doubt, he said, "with a view to testing the position of this House in relation to the Government. It is a challenge and I accept it". Government members chorused "hear, hear", but, during the course of the proceedings it became clear that Wilson, the Independent, a wheatgrower with strong views on the banking system, saw some point in the Labour suggestions and, moreover, that some of the members on the Government cross benches, particularly Spooner,[3] had doubts about the methods the Budget proposed, and the effects that excessive taxation might have on industry, and consequently on the war effort.

So the issue was not forced but the Advisory War Council entered on discussions, with the agreement of the Labour Party, and the afternoon sitting of the House of 5th December was suspended to allow the leaders to continue their talks. Basically, the Council was facing the question that had influenced its foundation—how to make Parliament workable—and it had to answer it by means of a compromise on Labour's challenge to the Budget. On the evening of the 6th the Prime Minister reported to the House that, after a "frank but amicable and constructive discussion" the Advisory War Council had agreed to recommend to the various parties that certain amendments to the Budget should be adopted, and subsequently the Council's recommendations had been referred to a joint meeting of Government supporters and to meetings of each of the two Labour parties and accepted.

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[3] Hon E. S. Spooner. MLA NSW 1932-40. MHR 1940-43; Min for War Organisation of Industry 1941. Accountant; of Orange, NSW, and Sydney; b. Sydney, 2 Mar 1891. Died 3 Jun 1952.

Thereupon Curtin withdrew his amendment and, in the following week, after a succession of speakers had delivered their prepared Budget speeches, the first item was agreed to and the general debate concluded. The Budget and its attendant measures were passed more or less peacefully and Scullin, former Labour Prime Minister who, though not a member of the party executive, held a special place as "elder statesman" in the party and counsellor of Curtin, emerged from his customary quietness to take a leading part for the Opposition in giving effect to the agreement.

One of the paragraphs of the agreed statement reaffirmed the purpose for which the Council had been formed. It was agreed that, "without in any way limiting the rights of any member or party, but in order to facilitate the future work of Parliament, members of the Advisory War Council express their common intention that, in future, questions appropriate for discussion by the Council will, whenever practicable, be brought before it before being raised in Parliament".[4]

The compromise had not been reached easily. Among the Government parties it had left some discontent with their leader, considerable uneasiness about the Government's future, and renewed impatience—on the one hand from those who disliked being forced to accept Labour policy and on the other hand from those who wanted to get on with winning the war. On the Labour side, the compromise represented a vindication of Curtin's view of the party's role at this juncture. It was reported that Evatt opposed compromise and wanted to force a showdown while Ward was openly opposed to making any concession whatever to "big business". Probably if the issue had been forced the Government would have been outvoted, but what would have then happened was not so clear. Parliamentary stability and Labour Party unity would certainly not have been served and it was doubtful what sort of an alternative government might have been secured—clearly not one under either Menzies or Curtin.

A contemporary report, which from other inquiries would appear to be as well founded as any report of happenings inside Caucus can be, said that the voting in favour of Curtin's recommendation for the acceptance of the amended Budget was twenty-four against nineteen and that the opposition was led by Evatt who had contrived to bring together several diverse elements to support his bid to defeat the Government on the Budget and, presumably, then to find a new government from Parliament without an election.

> The three sections which joined to support Mr Evatt (wrote the correspondent of the *Sydney Morning Herald*), were—(1) A small group, comprised almost entirely of New South Wales members, which is prepared to follow Mr Evatt and might even tacitly be prepared to agree to approaches to certain members on the Ministerial side. This section is willing to accept a National Government under Mr Evatt, or even another Labour leader; but its attitude to a National Government under Mr Menzies has never been defined. (2) The small left-wing section headed by Mr Ward, who is always hostile to Mr Curtin's leadership. (3) An influential group, normally associated with Mr Curtin which rejected his advice on this occasion because of a desire to secure as large a pension as possible up to the policy promise of 25/-

[4] *Commonwealth Debates*, Vol 165, p. 483.

a week. This group, which included such men as Messrs Holloway, Dedman, Drakeford[5] (Vic.) and James (N.S.W.), could normally be counted as part of Mr Curtin's following especially on the National Government.

The same correspondent described Curtin's majority as "the core of Labour opinion" which was opposed to a national government, believed that Parliament should be made workable and thought that Labour should bide its time until it had power and could govern in reality.[6]

Curtin, in a public statement, said "all the manoeuvres of last week which I fought were leading to a violation of the Federal Labour Party's conference decision that there should not be a national government. I had in mind and kept in mind and will keep in mind the obligations we entered into to make Parliament workable and that the establishment of the War Council, as authorised by the Labour movement, was to enable Labour to give its best to the war effort". He went on to declare that most of the nineteen who voted against him were concerned solely with the failure to obtain a higher pension rate. He denied that the nineteen members were against his leadership or constituted "the material of the elements available for the formation of a national government". The phrasing of his statement, however, leaves open the possibility that some of them were.

In public there was a good deal of loose talk about possibilities. On the Government side there were a few who talked of electing a Prime Minister from the floor of the House—an idea which had also been urged by Page during the inter-party discussions. On both sides there were those who held the opinion that defeat of the Government would not necessarily mean a dissolution and an appeal to the electorate but that Parliament itself should find means of deciding who should govern—an idea which was argued in the House by Evatt. Curtin held the course of a good party man and a parliamentarian. Hold the party together and cooperate to make Parliament workable. If Labour obtained a majority, Labour would govern. Until Labour obtained a majority, Labour would provide the Opposition and, as an Opposition, make its contribution to the functioning of Parliament.

Incidentally, the Budget crisis exposed not only the precarious state of the Ministry but something of the difficulty it faced in maintaining its position. There were possibly two ways of obtaining support for an Australian government. One was to serve the separate interests of a great number of people. The other was to define a common interest and demand that other interests should be sacrificed for the need of all. It proved to be beyond the capacity of the Menzies Government to do either, although its inclination was to attempt the second. The two Independents, into whose hands an accident placed the eventual fate of the Ministry, were, in this Budget debate, the spokesmen for the two points of view.

Wilson seemed to take the view that a government should keep in office and win the war by pleasing everybody. "The tragic war in which

[5] Hon A. S. Drakeford. MLA Vic 1927-32. MHR since 1934; Min for Air and Civil Aviation 1941-49. Of Moonee Ponds, Vic.

[6] *Sydney Morning Herald*, 9 Dec 1940.

we are now engaged can be brought to a successful conclusion only by the establishment of unity of purpose and action which, hitherto, has been lacking," he said. "I am satisfied that it is not possible for the Government as at present constituted, to supply the elements of accord and driving force which are necessary to ensure that Australia will pull its fair weight in the tremendous effort that is demanded of all sections of the community . . . . Australia must have a government which will conduct national affairs in such an equitable manner as to inspire the country to achieve its maximum war effort . . . ." He went on to speak of the particular matters in which he was interested and concluded his speech with the hope that the Government would "give serious consideration to all of the recommendations that have been made by honorable members on both sides of the chamber, so that as far as possible, its legislative programme may satisfy their wishes. If that be done we shall all contribute materially to the nation's war effort and the improvement of our economic standards. This would prove our sincere belief in democracy and ensure the true expression of our democratic principles".[7]

Coles, who incidentally pressed no interests of his own or of any other section of the country, exhorted the Government to think nationally and to foresake all sectional interests. "Be strong and resolute in giving the guidance for which the people are pleading and be fearless in placing the load where it can be carried." He spoke of the necessity for hardship and sacrifices, although recognising the claims for social service side by side with an all-in effort.[8]

Apart from the crisis on the Budget, the opening period of the new Parliament passed smoothly enough. After a number of routine measures had been agreed to, including an amending Bill for the wartime control and stabilisation of the wheat industry, Parliament adjourned on 13th December on the understanding that the recess would last until March unless extraordinary circumstances arose. Menzies, in a valedictory speech, spoke on the difficulties and the need for goodwill and understanding to make Parliament workable and acknowledged that as Prime Minister he had been "under an immeasurable debt to the Leader of the Opposition for his consistent courtesy and understanding. His patriotism is completely clear and unspoiled".[9]

Curtin responded with a classic statement of parliamentary government in Australia:

> While I am Leader of the Opposition I shall do my best to promote the good government of this country and, having regard to what are the obligations of my office, do all I can to ensure that the Prime Ministership of this nation shall be conducted in such a way that it will be at least free from anything but reasonable, honorable and straightforward criticism and opposition. If the country will not give a mandate to my party, but will give one to the party led by the right honorable gentleman, I accept that decision, and shall do my best to have carried out by the Government as much as possible of the programme in which I believe. I shall not

[7] *Commonwealth Debates*, Vol 165, pp. 715-21.
[8] *Commonwealth Debates*, Vol 165, pp. 355-60.
[9] *Commonwealth Debates*, Vol 165, p. 1114.

permit myself to do anything that would jeopardise the free parliamentary system of this country, which is the chief instrument of the freedom that we are striving to preserve. I appeal to all those in Australia who feel that they have a duty to criticise Parliament, to distinguish between that criticism which is well founded and that which rests upon mere assumption, and is sometimes, perhaps too often, instigated and fed by mere prejudice. Whatever may be said about our Parliament, either good or bad, it is the Parliament of a free people. Only quite recently the enfranchised people sent all of us to this legislature. To the utmost of our respective abilities we have reflected in our attitude towards the problems of the country the opinions of the people at large. The people are divided as to what party or parties shall govern Australia, and that division is reflected in this Parliament; but there is no division among the people in regard to the necessity for complete cooperation by those who are charged with the responsibility to ensure the safety of our country and, as vigorously as we can, to promote the prosecution of the war.[1]

The prospects were not as clear as the fair words of the leaders might indicate. Within the parliamentary Labour Party there was continuing pressure from those who wanted to force a change of government and continuing activity among those who saw politics simply as an irreconcilable fight between classes. On the Government side, a coalition of pieces rather than parties rested on a mass of shifting discontents, and was propped up by two Independents. There was little prospect of fortuitous change. Two by-elections in Kalgoorlie and Swan during November and December, as the result of the death of A. E. Green and H. Gregory, left the seats in the hands of Labour and the Country Party respectively. The Government might keep office by the delicate arts of party management, but the times were not propitious for the practice of such arts. It had to conduct a war and the war was reaching a stage where greater burdens had to be assumed and the life of all sections of the community had to be disturbed more deeply.

2—THE GROWING DEMANDS OF WAR

The plainest fact contained in the Budget for 1940-41 was scarcely noticed during the Budget debate. In 1939-40 the actual war expenditure of Australia was £55,000,000; in 1940-41 it was to be £186,000,000 and perhaps more. Whether considered as a matter of raising revenue, enlisting troops, increasing factory output, constructing new works or, in more general terms, diverting a much larger proportion of the national resources to war, these figures meant that in every part of the community there would have to be great changes.

During the first year of the war the disturbance of the Australian community had really been very small. The Treasury advisers found "a strongly rising level of income and consumption despite the dislocation due to the war".[2] In November 1940 the index of employment in retail stores was still rising. Building was continuing. There was no rationing of goods and the disbursement of wages had risen considerably. There were about 150,000 men in the various services, and civil employment had

[1] *Commonwealth Debates*, Vol 165, p. 1116.
[2] *Commonwealth Debates*, Vol 165, p. 78.

increased by about 80,000 in a year. Up to the present manpower controls had been apparent chiefly in measures to prevent volunteers from enlisting if they were in reserved occupations. Prices for exports had improved, and difficulties of marketing were being softened by governmental measures. Death and bereavement had yet touched only a few homes. The first casualty lists did not appear in the press until January 1941.

In these happy circumstances the community at large had still not realised the implications of total war. The first reaction to proposals for controls was usually fear that unemployment would be caused, and this fear often obscured the purpose of diverting resources to the war effort. Primary producers and small proprietors wanted to engage in their normal activities and the only alternative they could see was loss of their investments and loss of their living. For example, petrol rationing was seen by the man running a hire-car service as a threat to his livelihood. Any shortage of materials for building was seen chiefly as a danger that men in the building industry would be put out of work. State governments still entered substantial claims for loan money to finance public works unrelated to the war, and saw their own need for the works and their own financial rights rather than the fact that they were competing for labour and materials needed for war purposes. Workers, particularly in skilled trades, were reluctant to vary conditions which preserved for them the reward for their labour and they were strongly disposed, too, when their labour was increasingly in demand, to seek better wages and conditions.

What the Budget said was that expenditure on the navy was to rise from £11,000,000 to £22,000,000; on the army from £26,000,000 to £103,000,000, and on air from £11,500,000 to nearly £37,000,000. The expenditure of the Munitions Department was to rise from less than £5,000,000 to nearly £18,000,000. In practical terms this meant new demands for more men in new occupations, new demands for new kinds of production, new demands for the erection of specialised buildings, works and plant.

When the parliamentary debates on these proposals are studied, however, they reveal an imperfect understanding of the magnitude of the change which had to take place in the community. There is still a predominant concern with preserving sectional interests against any major disturbance. At one point in the debate, Coles said directly what most other members only disclosed by the kind of criticism they were making: "There is a strongly entrenched feeling in Australia that there is no imminent danger to this country and that economies and sacrifices could well be put off until some time in the distant future".[3]

Behind the particular questions raised during the Budget debate, the prevailing theme of "equality of sacrifice" is still discernible. An example is found in the Treasurer's proposals for increased taxation. Taxation had been increased in May to meet the expenditure under the "all-in" war effort then demanded but by the time the 1940-41 Budget was presented,

[3] *Commonwealth Debates*, Vol 165, p. 359.

the May estimates of a war expenditure of £79,000,000 had risen to an estimate of £186,000,000 including £43,000,000 to be expended overseas, and it was recognised that in the remaining seven months of the financial year unforeseen events might well raise the expenditure even higher. £50,000,000 was to be raised by loan, including war savings certificates; balances in hand afforded £28,000,000 and taxation on the scale approved in May would yield £34,000,000, leaving a balance of £31,000,000 to be found for expenditure in Australia. The Treasurer took the view that the money must come "from the pockets of the people" and there were three methods of obtaining it—by raising loans from them, by extra taxation or by expanding credit by which means "spending power is taken from the community by rising prices". He was against any expansion of credit because he thought it made no attempt to apportion the burden according to ability to pay but bore most heavily on those with fixed incomes or wages and salaries and depreciated the value of small savings. Furthermore, fearing the "financial and economic collapse" that would be the end of any reckless expansion of credit, he thought that the scope for credit expansion must be estimated anew from time to time. With a great increase in future productive activity further credit expansion than had already taken place might be safe, and any such opportunities for "the safe expansion of credit" would be eagerly seized by the Government, but for the present he was against it. As for loans he had already estimated the limits of the loan market at £80,000,000 of which £50,000,000 could be devoted to war expenditure. Therefore the gap of £31,000,000 must be bridged by taxation and more than half of this would come from a higher tax on individuals, although a special wartime levy on the profits of companies, graduated according to the percentage of profits in relation to capital employed, would bring the total taxation of companies in Australia (adding together Commonwealth, State and overseas taxation) to about £32,000,000 on an estimated income of £93,000,000, while dividends were taxed without rebate in the income of shareholders. Included among the proposals for income taxation was the reduction of the statutory exemption from £250 to £150.

A good deal of the debate turned on this last-mentioned proposal, it being argued by the Opposition that a tax of sixpence in the pound on low incomes would "attack the standard of life in the homes of the great masses of the people" and would "imperil the real physical resources of the nation". Both Opposition and Government appealed to the principle of "ability to pay" but the Opposition applied the principle with the meaning that the middle and higher incomes should pay nearly all, while the Government applied it to mean that the middle and higher incomes should pay heavily but lower incomes should also give a little. Menzies taunted Curtin with saying that Labour would give its all and asked if "giving all" meant giving nothing. There must be sacrifices or security was obtained at the expense of others. Labour answered that it was not the amount that was given but what was left that counted in the standard of living. Labour argued, too, that the burden would be more equitably distributed by

"mobilising the credit of the country". Attacks on "big business" and allegations of profiteering passed current with phrases such as "brutal treatment of lower-paid workers" and fears that the Government's "policy of deflation" would create unemployment.[4]

The compromise accepted by the Government included an agreement that the statutory exemption should be £200 and not £150; that more money should be raised by a wartime companies tax; and that, "in order to permit of an investigation of the questions which have arisen in respect of central bank credit and subsequent control, the Advisory War Council will, as soon as possible, confer with the Commonwealth Bank and Treasury".[5]

Although Labour argued for a greater use of central bank credit and the Treasurer argued for a greater reliance upon direct taxation, the sharpest edge of the Budget debate is to be found, not in a discussion of the general principles of war finance but in an argument about where the hardships of war should fall most heavily. The case presented by the Opposition started, to quote Curtin, as a consideration of a problem of "the best and most equitable way to find this vast sum of money", but it became, for the most part, less a discussion about what Australia could do than one about what various groups of Australians could not do. Yet the narrowness of this approach was not peculiar to the Opposition. The arguments of Forde that taxation on lower incomes would cause "a sharp reduction in the spending power of the masses", and thus, he said, increase unemployment as well as inflict hardship on many thousands of people, can be balanced by the arguments of Spooner that excessive taxation of higher incomes would interfere with industry by taking out of "the indus-

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[4] The following information was used by Fadden in Parliament to illustrate his taxation proposals:

Total of personal incomes in Australia	£745,000,000
Total of personal incomes over £1,000	85,000,000
Total of personal incomes under £400	517,000,000
New rates to produce	33,000,000
Incomes over £1,000 to contribute	20,000,000
Middle incomes to contribute	8,000,000
Incomes under £400 to contribute	5,000,000

Tax collections from various income groups:

	Rates applying in 1939-40	Rates applying in May, 1940	Rates applying in 1940-41
	£	£	£
Higher	6,200,000	9,800,000	20,000,000
Middle	1,300,000	2,000,000	8,000,000
Lower	100,000	200,000	5,000,000

Scales of Taxation

1/- in the £1 on taxable amount of £300.
5/- in the £1 on a taxable amount of £1,500.
10/- in the £1 on a taxable amount over £1,500.

The following table was later compiled by Treasury advisers:

Income	U.K. 1941-42 rates	NSW State and Commonwealth 1940-41	Victoria State and Commonwealth 1940-41
£	£	£	£
150	17.9	—	1.4
200	32.5	5.4	1.9
300	66.1	24.2	19.0
600	201.1	89.5	84.4
1000	381.1	217	206
2000	856	723	704
4000	2125	1935	1823

[5] *Commonwealth Debates*, Vol 165, p. 483

trial system" money required for development and thus cause unemployment too. An economist may find a fallacy in their understanding of war finance; the political historian is conscious that the economic fallacy springs in each case from too jealous a concern with one group of interests.

The means employed in the challenge to the Government had included a calculated appeal to the sectional claims of the populace—pensions, farmers' relief, soldiers' pay, exemption from taxation for lower income groups, social benefits. Quite apart from whether or not any or all of these claims was fully justified, the general effect of this political calculation was that part of the community was expected by their political representatives to respond favourably to a policy that gave them benefits rather than one that demanded sacrifices or a disturbance of normal peacetime life.

There were some signs, however, that the people themselves were beginning to object to this low estimate of their patriotism. The discussions of the war effort in the correspondence columns of the newspaper and the reporting of opinion more frequently reveal a readiness to accept personal inconvenience and an anxiety to serve, and contain less about equality of sacrifice or war aims than they had done in the previous six months. They also reveal a mounting protest against complacency and selfishness. Both still persisted but they were now being castigated more frequently.

Only a few in Australia had yet suffered very greatly by the war and many had found that war brought unusual opportunities and rewards. There was money about, plenty of goods in the shops and an exciting uncertainty about what might turn up next, good or bad. The Melbourne Cup in November drew a huge, gay and well-dressed crowd and the presence of men in uniform was recorded among the fashion notes as though it were one of the attractions of the carnival. The amount of bets handled by the totalisator was a record.

An observant Australian, returning home from London, found the attitude of Australians comparable to that of Britain before the terrible happenings of 1940 had made them realise the seriousness of the situation. "Australians on the whole are distinctly complacent about the war," he said. "They congratulate themselves on having a record crowd at the Melbourne Cup race; they resist petrol rationing, the control of civilian spending—anything, in fact, that interferes with the ordinary life of the community. They are, moreover, too interested in political faction fights and industrial disputes and strikes to realise that their country is in danger."[6]

Newspaper editorials and statements by public men about complacency and apathy expressed a growing concern over the state of affairs, but when the reader of the press turns from the general description of the situation to the day-by-day practice of politics, he finds that the matters engaging

[6] Professor Clunies Ross, interviewed by the *Sydney Morning Herald* on 8 Nov 1940.

the attention of the politically active members of the community are not the major issues of the war effort but industrial disputes, opposition to national security regulations and particular grievances. There were those who directed their discussion to what the Government should do, but they usually spoke in broad and general terms about speeding up the war effort, building a labour force for war industry, formulating a more definite policy for home defence and so on, while on the other hand those who directed their words and their actions to what the Government should not do were very direct and concrete. The Government went on calling for sacrifice; substantial sections of the Press and the Opposition were busy proving instances in which sacrifice was unfair.

Both in the Budget debates and in public comment it is apparent that the reluctance to accept change and bear new burdens was often allied with the belief that big profits were being made out of the war and that there was extravagance, mismanagement and even malpractice. The total wartime experience under both the Menzies and the Curtin Governments discounts these charges to a very considerable extent, and leaves those critics who shouted them exposed to the criticism that they passed far beyond the protection of the people's interests to a point where they were damaging the nation's war effort, by unjustifiably disturbing confidence and unity. Nevertheless, it has also to be recognised that, as it was a question of confidence, the Government itself could have been more careful to earn and keep a reputation. For example, whatever the effectiveness of other methods of restricting profits may have been, there was wisdom in a remark by Scullin who, after he had commended the Wartime (Company) Tax Assessment Bill for placing a special impost on businesses making more than eight per cent profit, also spoke of the "psychological effect" there would be from a measure to tax war profits as such.[7]

Other manifestations of a harmful and carping form of criticism can be found in the frequent references by less responsible Labour members to the effect that "captains of industry" and "representatives of big business" were at the heads of the various branches of munitions production and supply, and though it could not be denied that the Government had called in these men because of their undoubtedly superior knowledge, experience and organising ability in special fields, and though, on a change of government, Labour gratefully continued to use their services, direct hints were continually being made by the Government's critics during 1940 and 1941 that these men were "taking care of themselves". If any garage man's offer of his workshop or an inventor's offer of his design were not promptly accepted, some Labour cross-bencher or some small newspaper would spread a story that it was because of some deep and dark conspiracy on the part of the Broken Hill Proprietary, Australian Consolidated Industries or any other of the big corporations from which the directors of munitions production had been drawn. Privilege, too, was constantly under suspicion. Favouritism was attacked, perhaps the most

[7] *Commonwealth Debates*, Vol 165, p. 1031.

substantial of the complaints being the one which was made noisily, to the entertainment of newspaper readers and the discomfiture of the Government, when the wife of General Blamey was granted permission to travel to join her husband in the Middle East.[8]

Perhaps an even more potent factor in bringing hesitation over the acceptance of the Budget changes was the incompleteness of popular understanding of what war effort meant. This slowness of the adjustment of ideas can also be illustrated in the particular changes affecting the wheat industry and the State public works programmes which were associated with the changes proposed by the Budget.

At the outbreak of war the wheat industry was suffering from the effect of world surpluses and a fall in price. The Government took control of the marketable wheat remaining from the 1938-39 harvest and established the Australian Wheat Board to control, store and market the 1939-40 crop. It also sought to devise plans for stabilisation during the war and the recovery of the industry after the war. In conferences with the State Governments in August 1939, and October 1940, no unanimous agreement could be reached on such plans so the Commonwealth decided on a wartime stabilisation plan and announced it to a conference of State Premiers and Ministers, who promised their cooperation in administering the scheme. The necessary legislation was introduced in the Federal Parliament in November 1940.

The plan proposed a guaranteed price of 3s 10d a bushel f.o.b. ports for bagged wheat in respect of an acquired crop of 140,000,000 bushels. All grain would be marketed through the Australian Wheat Board and, in years of high price, any amount above 3s 10d a bushel would be paid into a fund from which payments to growers would be made in years of low price. Existing wheat farms would be registered and wheatgrowers would be licensed to grow wheat and required to give an undertaking that they would sow only the acreage allotted to them and carry out any other conditions that might be imposed upon them in the interests of the industry as a whole or that might be forced upon Australia by the exigencies of

[8] In May 1940 the Government decided that passports would not be issued to enable wives, families or fiancees of members of the A.I.F. to proceed to Egypt or the Middle East. Hitherto a number of women folk had in fact travelled from Australia to the Middle East to be near their menfolk. The ban was also extended to other women or child tourists to the Middle East or the United Kingdom, unless in the latter case it was shown that the journey was necessary for urgent business or personal reasons. On 4th October 1940 Blamey wrote personally to Menzies from Gaza, recalling a previous reference to the matter, and asking that Lady Blamey and Mrs. Mackay, wife of Major-Gen Mackay, be regarded as special cases. He argued that there was a real need for women to do welfare work for the troops. In response to inquiries, the Government learnt on 12th December that the United Kingdom was strictly enforcing the similar ban it had placed on British families proceeding to the Middle East. Two personal letters were addressed by Lady Blamey to the Prime Minister on 3rd November and 12th December appealing for special consideration and on 12th December War Cabinet gave her permission to travel. The travel arrangements of Lady Blamey early in January attracted attention and led to a storm of criticism in the press and in the Advisory War Council. The tenor of the criticism was: Why make an exception for one woman? Full Cabinet discussed the matter on 17th January deciding that no further passports should be issued to women and as a consequence of its discussion Blamey was asked to arrange that his wife should commence the return journey "at a reasonably early date". After several more exchanges, War Cabinet was informed by the G.O.C. that the lady was standing on "her rights as a free subject" and had taken legal advice on her right to stay abroad. In the event, she successfully resisted War Cabinet's attempts to secure her return and stayed in the Middle East until March 1942, when she returned to Australia by air with her husband. The incident closed with the Government of the day docking the amount of her return fare from the General's pay book.

war. Production in marginal areas would be eliminated but the limit of production to a marketable crop of 140,000,000 bushels plus 20,000,000 bushels for seed and stock feed was approximately the average Australian crop of the past six years.[9]

Looking back across the war years, the most extraordinary feature about the debates was that the proposals for the wheat industry were not discussed as war measures or as being related to those wartime problems of manpower, production or finance to which they were in reality so closely relevant. The Minister himself spoke only of the war—"largely a European war"—as an event which had closed markets, caused a shortage of shipping and an increase in freights, thus adding to the problem of the wheat industry. The debate was left to the farmer members on both sides. The Opposition farmers wanted a higher price, and no restriction on acreage and they objected to control. Their principal speaker, Scully,[1] later to become Minister for Commerce himself in the Labour Government, objected most strongly to controls. "No regulation more soul-destroying or more destructive of individual effort than the regulations now before us was ever issued even in Soviet Russia." Pollard,[2] also to become a Labour minister, protested that the Government was applying restrictive measures to wheat growers but was not restricting the output of barbed wire and iron from Broken Hill Proprietary or the products of firms making radios or chocolate.

Historically the wheat scheme of November 1940 might be one of the earliest wartime measures of control of an industry, but, at the time it was adopted, it was scarcely seen, even by those whom it affected most directly, as having that character. The conception of a diversion of resources had scarcely come into the popular mind. The Labour spokesmen for the wheat growers could not be criticised for unwillingness to accept the changes imposed on that particular industry by the necessities of the war effort for they spoke apparently in total innocence of what a war effort meant in terms of national resources.[3]

The relationship of State public works to defence had been discussed during pre-war planning[4] but only with the idea that State programmes might be devised or adjusted to assist defence. Gradually the core of the problem was shifting from a question of coordination to one of allocating limited resources to a single urgent task of waging war. Because of the way discussion had originated and because the question was handled through the Loan Council there was still a tendency to see the problem in financial terms as one of dividing up the total of loan moneys. Moreover, public works were at the heart of State politics, for it was by this

[9] *Commonwealth Debates*, Vol 165, pp. 313-21.

[1] Hon W. J. Scully. MLA NSW 1927-37. MHR 1937-49; Min for Commerce and Agric 1941-46; Vice Presdt Exec Counc 1946-49. Farmer; b. Bective, NSW, 1 Feb 1890.

[2] Hon R. T. Pollard. (1st AIF: Lt 6 Bn.) MLA Vic 1924-32; MHR since 1937; Min for Commerce and Agric 1946-49. Of Ballarat, Vic; b. Castlemaine, Vic, 31 Oct 1894.

[3] *Commonwealth Debates*, Vol 165, pp. 746 et seq. A separate contemporary problem of the wheat industry appears in the special vote for drought relief payments to be made to farmers by the States.

[4] See Chapter 3, Section 3B above.

means that State governments undertook development, improved services and maintained employment. In June 1940, the Loan Council had instituted a plan for the coordination of civil works and appointed a Coordinator-General of Works to collaborate with officers in each State in the preparation of a works plan. His report was to be used by the Council to determine the total works programme and its allocation between States. The purpose, however, was still dual "in order to secure a maximum allocation of resources to war purposes and at the same time to maintain and improve the employment position in the States",[5] and the dual purpose was also shown in the arrangements made to give a proportionately larger allocation of loan money to certain States which were not important centres of war expenditure. The war was not yet the predominant fact in Australian politics.

3—LABOUR RELATIONS

Among all the political problems associated with the growing war effort there were few more difficult than those related to the use of labour. It has already been indicated briefly how the minds of critics still ran to fear of unemployment as a result of wartime change. One of the tasks of the Government was to still that fear and make the transition from peacetime to wartime occupation in a way that did not impose hardship on the individual worker. A greater task was the obtaining of labour and the organising, the control and the training of labour so that the competing demands of the services, of war industries, and of civil industry might be met in a way that served the nation best. That way might not always readily satisfy the worker or the employer. There would have to be control; there would have to be some change of industrial conditions such as those relating to apprenticeship.

Labour control touched one of the most sensitive areas in Australian political life. It was not control over a commodity but over persons, and a very large proportion of those persons not only had a will but a memory and a set of ideas built up through times of depression as well as emergency, in times when they had felt they were not wanted as well as in times when they were in demand. On the other hand there were small as well as large employers, primary producers as well as factory owners, who wanted to keep employees. To call up men was not only to perform an act of "industrial conscription", it might also put a business out of operation through lack of staff. The organisation would have to spread beyond manpower to the organisation of industry.

By the closing months of 1940 the Government was becoming aware both of the need and of the nature of the problem. On the reconstruction of the Cabinet the new Department of Labour and National Service came into full activity. In pursuing its main objective of making the most effective use of the nation's manpower and resources, this department was required to give attention to manpower priorities, supply and demand

[5] Statement by Fadden, 21 Nov 1941. *Commonwealth Debates*, Vol 165, p. 79.

of labour, placement, technical training, industrial welfare, post-war rehabilitation and reconstruction and industrial relations.[6]

In the meantime, while the new department was organising itself, and examining the ground, the Government faced the immediate problem of considerable industrial unrest. This was one of the fields in which the Advisory War Council was intended to help. At the second meeting of the Council, on 30th October, it was agreed, on the Prime Minister's suggestion, that a joint statement should be issued by the three party leaders (Menzies, Curtin and Beasley) affirming that the machinery for the adjudication of disputes should be made adequate and saying that consequently stoppages in industry could not be justified as they were helpful to the enemy and a grave hindrance to the industrial part of Australia's war effort.[7]

After further discussions, the Prime Minister announced to Parliament on 22nd November, the unanimous agreement of the Council on certain principles and on new machinery and improved procedures to ensure industrial peace. The Council had agreed that the Commonwealth Court of Conciliation and Arbitration should be preserved as the centre of the arbitration system but that the means available to it should be made more extensive and flexible. In particular, it was desirable that ways and means should exist for prompt intervention in any dispute or difference, however small, the growth or aggravation of which might impair the war effort. Whereas in times of peace the jurisdiction of the Court was limited to the prevention and settlement of industrial disputes extending beyond the limits of one State there were in time of war no limits to the Commonwealth's industrial power except such limits as might be found in the defence power itself.

The main feature of the new machinery on which the Council had agreed was the appointment of three more conciliation commissioners, making four in all, linked with the Arbitration Court and under the general jurisdiction of the judges. The prime duty of each conciliation commissioner would be the prompt investigation of disputes on the spot in consultation with employers and union officials. He would report promptly to an Arbitration Court judge on the nature of the dispute. If the judge was of the opinion that the matter of a dispute was purely local or, for some other reason, suitable for determination by the commissioner, he would empower the commissioner to arbitrate; if not, he would refer the matter into Court for adjudication there. Limits on the jurisdiction of the Court were to be removed, and the court given power to make a common rule for an industry, portion of an industry or a group of industries, subject to consultation with State tribunals to avoid unnecessary interference with State industrial laws and determinations; power to exercise any of its powers on its own initiative, and unrestricted power to authorise investigations by boards of reference. Furthermore, prospective as well as actual industrial

[6] *Commonwealth Gazette* 218, 28 Oct 1940, and 229, 14 Nov; *Commonwealth Debates*, Vol 165, p. 690.

[7] Advisory War Council Minute 13, 30 Oct 1940.

trouble could be brought within the Court's cognisance by either the unions or the employers.[8]

The changes were effected by National Security Regulations made on 16th December, the Prime Minister saying, in answer to Evatt, who had urged that a Bill should be introduced to allow full discussion of the subject in Parliament that, in view of the urgency of the matter, it would be a pity if these changes, which he believed were quite non-contentious, could not be brought into immediate effect instead of waiting on the introduction and debating of a fairly long Bill. He promised a Bill at "the first convenient opportunity".

Thus, incidentally, the subject affords an illustration of how, on the one hand, the absolute national security powers of the Executive were modified by seeking first the agreement of the Advisory War Council because that was a political and practical necessity, and, on the other hand, political agreement in the Council on a highly contentious subject might be made a substitute for agreement in Parliament.[9] The appointment of the conciliation commissioners was also discussed in the Council to ensure that the men appointed would receive the confidence of the unions.

Following representations made in the House by James the Council considered the special circumstances in the coal industry and recommended the creation of special arbitration and conciliation machinery for that industry, including a central reference board and a number of local reference boards. These recommendations were eventually applied by further National Security Regulations.[1]

The Central Reference Board, constituted by an equal number of representatives of employers and employees with a Judge of the Arbitration Court as chairman, was given cognisance not only of disputes on matters arising under awards but also of "any other matter affecting industrial relations in the industry which the Chairman of the Board might declare was in the public interest, proper to be dealt with under the regulations" and it was accorded extensive powers and allowed great flexibility in procedure. The local boards, subject to review by the Central Reference Board, had similarly extensive powers of conciliation and investigation of local dispute and could also inquire into and report to the central board on matters not covered by existing awards or orders.

In helping to provide adequate machinery for the prompt consideration of industrial grievances, the non-Governmental members of the Advisory War Council had been conscious of the parallel obligation to avoid stoppages and, to this end, they suggested that the Trade Union Advisory Panel should also be used both for general advice on the attitude of industrial Labour and to help in overcoming particular situations. Curtin,

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[8] Advisory War Council Minute 33, 19 Nov on Advisory War Council Agendum 6/1940, and *Commonwealth Debates*, Vol 165, pp. 143-4.

[9] *Commonwealth Debates*, Vol 165, p. 144; Statutory Rules 1940, No. 290 made on 16 Dec 1940, and notified in the *Commonwealth Gazette* on 17 Dec.

[1] *Commonwealth Debates*, Vol 165, p. 145. Advisory War Council Minutes 63 of 12 Dec and 69 of 16 Dec 1940, and Statutory Rules 1941, No. 25 made and notified on 10 Feb 1941, and amended by No. 38 made and notified on 20 Feb.

particularly, was anxious that the panel should be used constantly to remove legitimate grievances and to meet the propaganda of "subversive elements" and the "irresponsibles". The panel was certainly not used as an auxiliary to the extent which Curtin wished and the possibility of using it effectively was limited by the fact that the A.C.T.U. was still opposed to its existence and, by resolution of a majority of the State Trades and Labour Councils at the end of September, had repudiated the action of those unions which had accepted representation on it.

When the new machinery for industrial peace was being discussed, the Government had also put forward proposals for sanctions against strikes or lock-outs but, at the request of the Council, had deferred them, the argument of the Council being that the improved machinery of conciliation should first be given a trial and, if it did not produce satisfactory results, the justification for introducing sanctions would be stronger.[2]

These measures to secure industrial peace were supplemented by the creation of an Industrial Relations Division of the Department of Labour and National Service and one of its earliest administrative acts, also referred to the Advisory War Council for prior discussion, was the appointment of three industrial inspectors to assist in the interpretation of awards and agreements and to investigate industrial conditions.[3]

The situation was becoming serious with the acceleration of the war effort. During the year 1940, which had now drawn to a close, 1,507,252 working days had been lost through industrial disputes, 1,371,382 of them in the coalmining industry, mostly in the New South Wales strike, and the production of coal for the year was 1,800,000 tons below the total for the previous year. If industrial unrest continued to take that toll the war effort would be most seriously impeded. Moreover, it was recognised that the unusual conditions of wartime employment, the diversion and dilution of labour, the strain of working overtime and unusual shifts, the housing difficulties and unsettlement of normal life would themselves be likely to give rise to some friction and irritation.

In this connection perhaps the most serious defect in all the Government had done was their slowness in anticipating and providing against the social discomforts attendant on the transfer of labour. Already at the major munitions plants in New South Wales and Victoria housing difficulties were becoming acute and both public and private factories were deficient in amenities. These were matters to which the new Department of Labour would have to give immediate attention.

During January 1941 there was a marked revival of industrial disputes. The main issue publicly stated by the unions was a refusal to work overtime unless the Federal and State Governments agreed to exempt from taxation the extra money the worker received for his overtime. In New South Wales and Victoria a number of unions representing boilermakers, ironworkers and munitions workers carried resolutions placing a ban on

[2] Advisory War Council Minute 33.
[3] Advisory War Council Minute 113, 14 Jan 1941.

overtime. A resolution carried by a conference of seventy trade union executives representing 250,000 workers, convened by the New South Wales Trades and Labour Council on 23rd January endorsed the ban and expressed its motives as follows:

> We condemn the new taxation of wage earners, which reduces the living standard of the working class. We call upon all unions to join in a campaign to compel the withdrawal of this taxation, and to demonstrate to the Government and to the employers on behalf of the working class that they must keep their hands off wages.

Other resolutions suggested the introduction of shift work instead of overtime, the nationalisation of the iron, clothing and foodstuffs industries, the raising of the basic wage to £5 a week, the raising of the statutory exemption from income taxation to £300 (instead of the £200 at which the Budget compromise placed it), and the abolition of State wages tax and of "the new indirect taxes".[4]

The trouble was not simply a matter of the workers in one group of industry insisting on their own claims. It was linked with the struggle for control within the Labour Party itself. In part it continued the opposition to the Budget compromise. At a conference at Woy Woy on 27th January of the New South Wales (Hughes[5]-Evans group) Labour Party, Edgar Ross, an executive member, reading a paper on "the political perspective", preached opposition to a Federal Government which, he alleged, was under the control of big monopolies. He saw the strikes as part of a working class struggle "to win real power and use it for socialism" and, attacking those union leaders who were assisting the Government, urged that the line taken by the Labour Party should be reversed and, as a first step towards that end, the "present capitulating leadership" (i.e., Curtin and his supporters) should be isolated and expelled.

In an earlier discussion of the situation in the Advisory War Council, Beasley, who certainly knew better than any other Council member what was going on in the New South Wales industrial field, described the cause of the strikes rather mildly as "misunderstanding". "An intricate question of this nature which was not readily understood by the masses created a fertile field for subversive propaganda and the maximum use was being made of the position by disruptive elements to stir up further trouble."[6]

Curtin, at a later meeting—he had been absent from the Council in January—clearly regarded the trouble as due to "disruptive" and "subversive" elements and wanted an opportunity to be given to the Labour Party itself to handle the situation, urging that the Trade Union Advisory Panel should be used constantly and the standing of the "legitimate unions" enhanced so that they could meet the propaganda of the subversive and investigate genuine complaints.[7]

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[4] *Sydney Morning Herald*, 24 Jan 1941.

[5] J. R. Hughes. Former Senior Vice-President (NSW) Australian Labour Party.

[6] Advisory War Council Minute 97, 14 Jan 1941.

[7] Advisory War Council Minutes 124, 128, 132, and 141 of 5 Feb.

This industrial activity illustrates less that a large body of working men were objecting to paying extra taxation than it illustrates that some industrial leaders were ready to stir up "grievances" in order to advance their political ideas or to keep an advantage in party conflict.[8]

4—SECURITY AGAINST JAPAN

During the closing months of 1940, while the Australian Government was struggling for its own political survival, facing a Budget crisis in Parliament and devising means for combating industrial unrest, the war was still raging. The Battle of Britain was at its height. During the period from September to December over 20,000 Britons were killed and over 30,000 injured in enemy air raids. The heroism of Britain under fire and the story of the devastation of Coventry and other English cities were perhaps more familiar to most Australians than the ins and outs of their own political difficulties and, stirring them, made large numbers more impatient than ever with those engaged in the practice of politics. The King's broadcast of 23rd September came to them from bomb-scarred London. "As we look around us we see in our hour of trial the Mother City of the British Empire proving herself united in herself. It is not the walls that make a city, but the people within them. The walls of London may be battered, but the spirit of the Londoners is calm, resolute and undismayed. As it is in London, so it is throughout Great Britain."

By the end of October, the fear of an immediate attempt by Germany to invade the British Isles was passing, but the air raids, submarine and surface attacks continued and, in the Atlantic, were taking heavy toll of British convoys. H.M.S. *Jervis Bay,* an auxiliary cruiser which bore an Australian name and had commenced its maritime life as one of the Australian Commonwealth Line, had gone down gloriously engaging the enemy. Without armour and mounting eight-year-old six-inch guns, she had steamed straight for the German battleship *Admiral Scheer,* firing as she went, and most of the convoy with its precious food and munitions had been saved. Australian warships were in action in the Mediterranean and the Red Sea. In November, *Sydney,* with *Ajax, Orion, Nubian* and *Mohawk,* sailed through the Straits of Otranto into "Italy's own private sea" and attacked enemy shipping, about the same time as the Fleet Air Arm of the British navy was delivering a "crippling blow" to the Italian navy in a night raid on Taranto. It was during this period, too, that the Commander of H.M.A.S. *Yarra,* patrolling under frequent bombing attacks, wrote of his men: "I fear that some do not land even when they can do so in case they should miss an air raid". Towards the end of November it was announced that the R.A.A.F. had been in action for the first time over the Western Desert of Egypt. The 6th Division was in an advanced position in the Western Desert and an enemy drive against Egypt was awaited. Italy had invaded Greece at the end of October, and on the 3rd November the landing of British troops on Greek territory

[8] See Appendix 6, "Industrial Disputes in Wartime".

was announced. Throughout November and December the Greeks, showing great fighting spirit in the Albanian mountains, checked the invader and then began to drive him back.

Nearer home there were reports of sinkings of ships on or near the Australian coast by mines off Bass Strait, by a raider in the Indian Ocean and by undisclosed causes off the New South Wales coast. The general situation in the Far East was not perceptibly better or worse although Japan's adherence to the Axis Pact made it more probable than ever that sooner or later, at a moment when the British Commonwealth was most distressed, Japan would strike.

While conducting an election campaign, reconstructing the Cabinet and facing the Budget crisis, the Australian Government was also directing the national war effort. Throughout this period War Cabinet was continuously engaged in attempts to improve the situation in the Far East and to strengthen Australia's security.

For the time being, during a period of preparation in the Middle East, interest in that theatre was largely a matter of trying to ensure a state of readiness. The anxiety of the Government that all should go well there and the importance they placed on a "clear-cut victory" were reflected in an exchange of telegrams between Menzies and Churchill in September and October expressing concern at the Dakar Incident and regretting the lack of prior consultation. Menzies asked that the Middle East should be "as fully reinforced and equipped as humanly possible".[9]

On the particular question of the training and equipment of the A.I.F. further telegrams were exchanged with the United Kingdom and with Blamey, who replied to the effect that, like most British units in the Middle East, the 6th Division was still deficient in equipment and that supplies from England were not arriving as rapidly as desired but, seeing that the division was generally better equipped than the remainder of the British forces available, he felt bound to agree to its participation in a defensive role. The War Cabinet continued its efforts to ensure that the whole of the A.I.F. abroad was fully equipped as early as possible, but the key to the position was the availability of supplies from Britain, and Britain was still under nightly bombing and still fighting to keep the seas clear of her enemies.[1]

In the Far East further measures were being shaped in military staff conversations. A Far Eastern defence conference had been suggested in the appreciation of the Far East forwarded by the United Kingdom Chiefs of Staff in August. It was intended that it should be a staff conference between British, Australian and New Zealand officers and should be followed by further conversations with Netherlands officers. It was hoped, too, that staff conversations might also be held with the United States. A proposal by Australia that the Far East Defence Conference be held in Melbourne gave place to a decision to hold it in Singapore. In sending the

[9] See W. S. Churchill, *The Second World War*, Vol II, Appendix D.

[1] War Cabinet Minute 565, 17 Oct and 596, 24 Oct.

Australian delegation (Captain Burnett,[2] Assistant Chief of the Naval Staff; Air Commodore Bostock,[3] Deputy Chief of the Air Staff; and Major-General Northcott, Deputy Chief of the General Staff), War Cabinet made clear that the cooperation of Australia in the defence of the Far East was to be examined at the conference as a staff problem after providing fully for the existing commitments of the Commonwealth and that any proposals for further cooperation by Australia were reserved to the Government for decision.[4]

The conference met from the 22nd to the 31st October and applied itself to preparing a tactical appreciation of the situation in the Far East in the event of Japanese aggression; a review of the defence requirements of India and Burma in the light of a possible Japanese threat from Thailand; points for discussion with Netherlands East Indies authorities in the event of staff conversations with them being authorised, and points for discussion with representatives of the United States of America on the assumption that Anglo-American staff conversations would ultimately take place in the Far East. The United Kingdom view, based on the earlier appreciations furnished to the Australian Government, was that Singapore was the key to the British Commonwealth's defensive position in the event of war with Japan and that Australia and New Zealand and British possessions in the Far East would be best defended at this stage by adequate concentration of forces in Malaya. This was endorsed by the conference, the chief general conclusion of which was that the first and immediate consideration must be to ensure the security of Malaya against direct attack. The army and air force, both in numbers and equipment, were now far below requirements, in view of the inadequacy of naval forces, and these deficiencies should be remedied immediately, the further cooperation of India, Australia and New Zealand being sought. The conference also, as required, drew up lists of matters for discussion with the Dutch and Americans.

The conference made the following observation in regard to Australian local defence: "While the possibility of a major expedition against Australia or New Zealand may be ruled out initially, we must still maintain in Australia and New Zealand such army and air forces as are necessary to deal with raids and also such naval and air forces as are necessary to ensure the maintenance of vital trade, protect troop and other convoys and carry out necessary local defence duties". Detailed problems concerning Australia's local defence were not considered by the conference except insofar as these concerned combined defence in the Far East.[5]

The conclusions and recommendations of the conference, together with the observations of the Australian Delegation and the views of the Aus-

[2] Capt J. Burnett, RAN. ACNS Navy Office, 1939-41; comd H.M.A.S. *Sydney* 1941. B. 26 Dec 1899. Lost in sinking of *Sydney* 19 Nov 1941.

[3] AVM W.D. Bostock, CB, DSO, OBE. Dep Ch of Air Staff RAAF 1939-40; C of S Allied Air Forces SWPA 1942; AOC RAAF Cd SWPA 1943-46; MHR since 1949. Regular air force officer; of Melbourne and Benalla, Vic; b. Sydney 5 Feb 1892.

[4] War Cabinet Minute 567, 17 Oct 1940.

[5] War Cabinet Agendum 254/1940, 18 Nov.

tralian Chiefs of Staff were considered by the War Cabinet on 26th November. On the previous day the Prime Minister had informed the Advisory War Council of the "alarming position in regard to the defence of Singapore", as revealed by the conference, and the probability that Australia would be called upon for troops and munitions for Malaya and, although no expression of opinion by non-Government members on the defence of Singapore is recorded, there was general approval of the suggestion that Menzies should go to London to talk over this and other matters with Churchill.[6]

Independently of the Singapore report, Curtin had already been asking questions in the Council about the possibility of transferring a battleship to Singapore and disposing the Royal Australian Navy "for the defence of the waters to the north of Australia".[7]

As the result of the War Cabinet discussion, and following the recommendation of the Singapore conference, the Australian Government urged the United Kingdom Government, by cablegram on 1st December, that immediate action should be taken, in view of the inadequacy of the naval forces, to remedy the deficiencies in the army and air force at Singapore. Going back to the discussions at the 1937 Imperial Conference, the Australian Government repeated an assurance that had been given that Singapore would be rendered secure from military attack, using the term military in the broadest sense. The whole defence policy in the Far East was directed towards ensuring that Singapore would hold out. The cablegram then set out what Australia itself was prepared to do and expressed concern at the most serious position revealed by the Singapore conference.[8]

The supporting papers prepared for Cabinet show that the Singapore report was based on the expectation that, on the outbreak of war with Japan, Australian and New Zealand naval forces would return home and a battle cruiser and aircraft carrier would proceed to the Indian Ocean. The minimum naval forces required, other than troop convoy escorts, and excluding local defence forces in Australian waters, were two eight-inch cruisers, three six-inch cruisers and five destroyers, and these forces could be provided by the return of the Australian vessels serving overseas. A capital ship escort would be required for troop convoys in the Indian Ocean, and more anti-submarine and mine-sweeping vessels were needed for local defence in Burma and New Zealand.

The plain fact of the naval situation, however, was that this "minimum" did not exist in the Far East and could only be provided in an emergency by moving vessels from other waters. Land and air defences must therefore be strengthened both to hold Singapore for the use of the navy and to defend territories against raids or invasion. Moreover, the assumptions made about minimum naval forces had been based on a further assumption that adequate air forces were maintained in local areas. Such air forces

[6] Advisory War Council Minute 39, 25 Nov.

[7] Advisory War Council Minutes 7, 29 Oct and 34, 25 Nov.

[8] The Australian Government to Secretary of State for Dominion Affairs, 1 Dec 1940; repeated to Prime Minister of New Zealand.

did not, in fact, exist. The Singapore conference recommended an R.A.F. strength of 582 aircraft for the Far East but conceded that 336 would give "a very fair degree of security". In fact, there were only 88 first-line aircraft in Malaya in November, 1940, and only 48 of these, the Blenheims and Hudsons, were modern, while the air strength in Hong Kong and Ceylon was negligible. On the assumption that the 582 aircraft were available, the conference estimated that 26 infantry battalions, 5 field regiments and 3 light tank companies were required for the land defences of Malaya and neighbouring territories—an estimate that subsequently was recognised as being excessively modest—but in fact there were only available in November 1940 17 infantry battalions (6 British, 10 Indian and 1 Malay) and one mountain regiment of mobile artillery.

The Australian War Cabinet's decisions left the main responsibility for repairing these deficiencies on the United Kingdom, but offered to give whatever assistance was possible in the supply of anti-submarine and mine-sweeping vessels, mines and depth charges, to provide Australian troops for temporary service in Malaya, to despatch certain specified arms and equipment to Malaya and to commence work immediately to improve air defences in the Australian area.

The offer of Australian troops for Malaya, as on the previous occasion on which the subject had been raised, was unenthusiastic. The Australian Chiefs of Staff recommended that a brigade group and necessary maintenance troops, with a modified scale of equipment only, be made available at an early date "as a contribution to the deficiencies in land forces" but that these troops should only be located in Malaya as a temporary measure while completing their training and until such time as the 8th Division could be concentrated in the Middle East, when they should be relieved by Indian troops. The War Cabinet, in accepting the recommendation, also decided to tell the United Kingdom Government that, for the reasons previously given about the climate and the "psychological" unsuitability of Australian troops for garrison duties, they would prefer Malaya to be reinforced by Indian troops but, if imperial strategical considerations called for the despatch of Australian troops to Malaya, the Australian Government concurred, "provided the troops are concentrated in the Middle East as soon as circumstances permit".

Supplies made immediately available for Malaya by Australia included 2,000 rifles, small arms ammunition and grenades. The supply of anti-aircraft guns was made contingent on the diversion of supplies already being made available to the United Kingdom. A promise was made to consider the despatch of three-inch mortars when they became available from Australian production early in 1941.

As regards air defence, the Singapore conference had defined certain operational areas and had suggested a flexible system by which each area could reinforce the other. The areas which came within the sphere of responsibility of the Australian Government were (a) North Australia, (b) South-East Australia, (c) South-West Australia and (d) New Guinea, the Solomons and the New Hebrides. War Cabinet approved the recom-

mendation of the Chiefs of Staff that work be commenced immediately to extend ground organisation and facilities in these areas. It was also decided to ask the United Kingdom to expedite the allotment of aircraft required by the R.A.A.F. home defence expansion programme to enable Australia to meet its share of responsibility. The minimum strength of aircraft required for the initial equipment of the R.A.A.F. for this purpose was 320 and the present deficiency in modern types was 278. This was, in reality, only the fulfilment of the 32-squadron plan of home defence previously adopted.

When the Cabinet decisions are examined critically, the conclusion is inescapable that, although the Singapore conference had revealed the weakness of Singapore and hence, in the reasoning of the Australian defence advisers, of the home defences of Australia, it did not lead to any substantial action to repair the weakness. The pathetic extremities in which the British Commonwealth found itself are revealed most pointedly in the plain facts that the naval strength on which Far Eastern security was based was not available; that weapons, equipment and supplies were lacking; and that not only Australia but every other part of the region had to await the allocation of hundreds of aircraft from British and American factories before air defence became more than a paper plan. The size of the minimum forces required in each of the services had been calculated on the assumption that the full strength of the other services would be available but every one of them was deficient.

The non-Government members of the Advisory War Council were rather more emphatic than the Cabinet about immediate naval reinforcement of the Far East but do not appear at this stage to have pressed for any change in the employment of the A.I.F. At the first meeting of the Council Curtin had asked about the possibility of disposing the Royal Australian Navy for the defence of the waters to the north of Australia and, in response to his later inquiries along the same line, the Chief of the Naval Staff attended a Council meeting on 2nd December to explain the "world-wide plan" to give heaviest protection where most required. Any reduction of naval strength in the main theatres might have disastrous results not only there but in the scale of attack in Australian waters. The situation in the Far East was always under close review but the war effort in the main theatre should not be reduced by withdrawing ships to stand by in case of Japanese action.

The Council, having heard the review, was content with an unemphatic proposal that the Prime Minister should communicate with the United Kingdom Government regarding the possibility of "basing three or four capital ships at Singapore as a deterrent to Japanese action in this region".[9]

The disposition of the Australian vessels at that time was: *Canberra, Perth,* and *Adelaide* in Australian waters with mine-sweepers and anti-submarine vessels; *Australia* with the Home Fleet; *Hobart, Yarra* and *Parramatta* with the Red Sea Force; and *Sydney, Stuart, Waterhen, Vam-*

[9] Advisory War Council Minute No. 48, 2 Dec 1940.

pire, Vendetta and *Voyager* with the Mediterranean Fleet. During December *Sydney* and the armed merchant cruiser *Westralia* returned to the Australian Station and were replaced in the Mediterranean by *Perth.*

The last word at this stage of the communications with Britain was given by Churchill in a cablegram sent in Christmas week. He thanked Australia for the offer of troops, equipment and ammunition for Malaya and promised that arrangements would be made to relieve the Australian troops in May 1941 by the equivalent of a division from India. He thought the danger of Japan going to war with the British Empire had lessened and that the growing naval and military advantages in the Mediterranean would also have their effect on Japanese conduct. It would be quite impossible for the British fleet to leave the Mediterranean at the present juncture without throwing away irretrievably all that had been gained there and all prospects for the future. Anxieties in the East must be borne "patiently and doggedly", it always being understood that if Australia were seriously threatened by invasion Britain would not hesitate to sacrifice the Mediterranean position for the sake of Australia. Churchill pointed, too, to the seriousness of the naval position in the North Sea and Atlantic as the result of German accretions of strength and the possibility of the undamaged portion of the French fleet being betrayed to Germany. The only way in which a naval squadron could be found for Singapore would be by ruining all prospects in the Mediterranean. As regards the recommended air reinforcements for Singapore it was difficult, he said, to make any precise commitment as to numbers. He concluded that, broadly speaking, British policy was to build up as large as possible a fleet, army and air force in the Middle East and keep this in a fluid condition, either to prosecute the war in Libya, Greece and presently Thrace or reinforce Singapore should the Japanese attitude change for the worse.

The substance of this cablegram was communicated to the Advisory War Council by the Prime Minister on 8th January 1941,[1] but there is no record that any further opinion was expressed on it. Previously the Prime Minister had sent a reply to Churchill stating that arrangements had been made to ship the Australian brigade group to Malaya as soon as shipping was available and there would be an immediate shipment of equipment and ammunition. During the Christmas period the Minister for the Army, Mr Spender, and the Chief of the General Staff, Lieut-General V. A. H. Sturdee, had visited Malaya and discussed the question on the spot.

At the beginning of November the War Cabinet had approved the recommendation of the Australian Chiefs of Staff in favour of a British proposal to create the office of Commander-in-Chief, Far East, in order to secure fuller coordination in the defence of Malaya, Burma and Hong Kong. It was agreed that the new Commander-in-Chief should communicate direct with the defence services in Australia on matters of interest to them, but that matters of major policy should be referred to the services

[1] Advisory War Council Minute 8.

through the Commonwealth Government.[2] Previously a proposal had also been made by the United Kingdom Government that, in certain contingencies, a unified naval command in the Pacific Ocean and the Far East, including the waters around the Netherlands Indies, Malaya, Australia and New Zealand, would be desirable. The War Cabinet had expressed the opinion that this was a strategical question and there would be no political objections from Australia.[3]

In the meantime in the Middle East, General Wavell[4] was preparing to mount the first Allied offensive in the Western Desert. Whatever weapons, aircraft or troops could be spared were to go there. The Australian Government, too, although making urgent representations regarding Singapore, gave priority to the Middle East. The equipping of the 6th Division and the building up of an Australian army corps had first claim. Among the arguments used to the United Kingdom for strengthening Singapore was the extent to which Australian cooperation in overseas theatres was dependent on the Australian public's impression of the degree of local security that existed.

The Singapore conference was followed by conversations in December 1940 at Singapore between British and Netherlands officers, the Australian services being kept informed, and eventually by Anglo-American staff conversations in Washington. These meetings led the way to Anglo-Dutch-Australian conversations at Singapore in February 1941, to which reference will be made below. In the meantime, during the visit to Australia of a small Netherlands Army mission the urgent munitions requirements of the Netherlands East Indies had been discussed in Melbourne and arrangement made for the supply of some of these requirements, principally small arms ammunition, by Australia.[5] Collaboration with the Netherlands was extended by granting approval for the stationing of a Dutch oiler in Papuan waters to serve a naval patrol which was being established to protect Dutch trade from the United States of America, for Dutch naval tankers and warships to visit Rabaul and for Dutch warships to use harbours and roadsteads in Australian territories and mandated islands.[6]

Diplomatically, Casey was taking advantage of whatever opportunity presented itself to impress on the United States Government and its advisers the value to the United States of the joint use of existing bases in the south-west Pacific or of making arrangements to lease and build their own bases in that region. Early in September, the Anglo-American agreement to lease to the United States sea and air bases in Newfoundland, the British West Indies and British Guiana in exchange for fifty over-age destroyers had been announced and in August, the U.S.A. and Canada had formed a Permanent Joint Defence Board. Casey hoped it would be possible to extend similar cooperation to the Pacific and to American-

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[2] War Cabinet Minute 616, 4 Nov 1940.
[3] War Cabinet Minute 593, 24 Oct 1940.
[4] Field Marshal Rt Hon Earl Wavell, GCB, GCSI, GCIE, MC. GOC-in-C, ME 1939-41, India 1941-43, SW Pacific Jan-Mar 1942. Viceroy of India 1943-47. B. 5 May 1883. Died 24 May 1950.
[5] War Cabinet Minutes 512, 16 Sep; 648, 26 Nov; 707, 22 Jan 1941.
[6] War Cabinet Minutes 613, 4 Nov and 743, 4 Feb 1941.

Australian relations and, at his prompting, the Defence Committee produced "arguments" for use, if opportunity arose, for persuading the American authorities of the value to the United States of bases in the south-west Pacific.[7]

For the most part, however, the hope of securing the restraining influence or the defensive aid of America in the Pacific was pursued in conjunction with the United Kingdom and subject to the broader questions of American aid to the Allies which were being handled in communications between American and British Chiefs of Staff. This meant that, as events will show, the Pacific was subsidiary to the more immediate and critical call for aid for the Allies and protection for the United States in the Atlantic.

The Australian Government also looked to the state of its own outlying territories. Arrangements were made for the strengthening of the defences and the garrison of Darwin.[8] Early in November plans prepared in September for the evacuation of the civil population of Darwin in an emergency were approved and the Defence Committee instructed to prepare a report on plans for the evacuation of population from centres of population liable to air attack and on evacuation from vulnerable areas for military reasons.[9] Defence works at various points, including a proposal to instal six-inch guns at Nauru, Ocean Island and Rabaul, were under consideration, and consultation with the United Kingdom was taking place regarding responsibility for the defence of the Cocos Islands.[1] By proclamation on 13th December ten more age groups were called on to enrol for home service under the *Defence Act*.[2]

Discussions had also taken place between the Australian and the New Zealand Chiefs of the General Staff in Melbourne in September 1940 on the application of the decision made in the previous July that munitions should be supplied to New Zealand to "the fullest practicable extent" on "the basis of actual cost plus inspection and proof charges and freight",[3] and a proposal had been made that New Zealand should share in Australian production in the ratio of her war establishment to the Australian war establishment, that is, she should have one-sixth of the production, with reservations regarding certain items and subject to priority being given to unfulfilled United Kingdom orders.[4]

By the demands of its own increasing forces, commitments to the United Kingdom and the arrangements being worked out with New Zealand, and the promises made consequent on the Singapore Conference in respect of the Far East, Australia was accepting heavy commitments for war production. They were allied with hopes which Ministers had been trying to turn into practical proposals that British industries, particu-

[7] War Cabinet Minute 526, 24 Sep and War Cabinet Agendum 210/1940.
[8] War Cabinet Minutes 525, 24 Sep and 643, 26 Nov 1940.
[9] War Cabinet Minute 617 on Agendum 245/1940 of 4 Nov.
[1] War Cabinet Minute 638, 26 Nov 1940.
[2] War Cabinet Minute 666, 12 Dec 1940.
[3] War Cabinet Minute 437, 24 Jul 1940.
[4] War Cabinet Minute 580, 23 Oct 1940.

larly aircraft production and shipbuilding, might be transferred to Australia.

The contribution by Australia of weapons, supplies and equipment to strengthening the security of the Far East was contingent on commitments already made and on the discussions at the Eastern Group Supply Conference, held at New Delhi in October, to improve the organisation of war supplies to Empire forces in the Middle East, Far East, India and elsewhere by coordinating the industrial capacity of Australia, New Zealand, South Africa, India and the African and Asiatic colonies.

In deciding to accept the invitation to the Eastern Group Supply Conference, War Cabinet reaffirmed the 1937 principles of defence, which it interpreted to mean that Australia's primary obligation was to provide for its own local defence and that its assistance to other parts of the Empire or to allies was subject to that condition. The delegation to New Delhi, led by Sir Walter Massy-Greene, was authorised to negotiate, however, regarding the allocation of Australian production of munitions, foodstuffs and raw materials after essential local requirements had been met and for the meeting of Australian needs from other countries provided that no arrangements should be contrary to "the basic principle of Australian self-sufficiency" and that the quantities in the case of munitions, did not exceed the approved programme. Any policy of Australian dependence on India was not acceptable, firstly because of the Imperial Conference principles of responsibility for local defence and self-sufficiency in munitions, secondly because of the wartime risks of sea transport between the Eastern group of Empire countries and thirdly because of such political factors as the possible attitude of India after the attainment of self-government.

"Our policy might be summarised," the Prime Minister said to the delegation, "as production up to the maximum capacity of the things that we can produce, and, having provided for our needs first, we would be willing to become exporters of the balance. We are not prepared to be importers of things we can produce. As to the relation of our tariff policy, there is no intention of entering into commitments which might cramp the development and expansion of our secondary industries".

The War Cabinet agreed in principle to the establishment of a central authority, on which Australia should be represented, through which all demands for stores for forces in the Middle East, East Africa, Malaya and other colonial stations east of the Red Sea should be submitted and that this authority should be responsible for the coordination of demand and supply from India, the Dominions and Colonies in accordance with the estimated requirements of the various forces to be maintained.[5]

The New Delhi Conference led to the setting up of the Eastern Group Supply Council, permanently in session at New Delhi, with representatives of the United Kingdom, India, Australia, South Africa, and New Zealand plus a representative of the Army Council and the Imperial General Staff, who, after a Central Provision Office had decided questions such as priority

[5] War Cabinet Minute 545 and Agendum 217/1940, 2 Oct 1940; 565, 17 Oct; and 602, 31 Oct.

of needs and other military details, brought before the Council the demands of the forces in the Eastern Group. The Council had then to decide from what country or countries it would be best to obtain supplies and, having done so, would ask the Governments of those countries to place the necessary contracts. In January 1941 the Full Cabinet approved the recommendation of the Minister for Supply and Development to appoint Sir Bertram Stevens as Australian representative on the Council.[6]

5—A DIPLOMATIC ADVENTURE

The attempts to ensure security against Japan also brought Australia into more picturesque adventures in international politics. Unwillingly at first, but with increasing zest, Australia played a part in assisting the *coup de force* which rallied New Caledonia to the Free French movement headed by General de Gaulle, in September 1940.

Broadly, the situation was that while the majority of the French population of New Caledonia supported the resolution of the local elected Council (Conseil-Général) of 26th June affirming New Caledonia's determination to carry on the struggle against Germany, there were, among the wealthier merchants, officials and military officers a number who favoured the Vichy Government established under Marshal Pétain.

Previously, in the New Hebrides, administered under an Anglo-French Condominium, the French Resident Commissioner, M. Sautot, in close consultation with the British Resident Commissioner, Mr R. D. Blandy, had declared for Free France, and Sautot, whose fervent patriotism and moral courage are testified to by those who knew him, at once appeared as a possible leader for rallying New Caledonia to the Free French cause.

The Governor of New Caledonia, M. Pelicier, appeared to be trying to hold a balance between de Gaullistes and Pétainistes. The relations between him and the Australian Government had been correct and friendly. Australia facilitated shipping from Australia to French possessions in the Pacific and offered "practical help and special consideration . . . in the solution of your economic problems and in the maintenance of your well-being and stability". The Governor expressed his thanks and readiness to discuss with the newly-appointed Commonwealth representative, Mr Ballard, all questions affecting the friendly relations of the two countries.[7]

Early in August, the High Commissioner for the Western Pacific expressed to the United Kingdom Government his opinion that, in view of recent incidents in New Caledonia, some definite action by de Gaulle was advisable, such as sending a French warship with French officials to take control of the administration and to remove the adherents of the Pétain Government. The Australian Government, however, thought such action would be precipitate, and asked the United Kingdom Government

[6] Full Cabinet Minute 29 in War Cabinet series, 16 Jan 1941.

[7] Cablegram from Menzies to British Consul, Noumea, 18 Jul 1940, and cablegram from British Consul, Noumea, 21 Jul.

not to take any immediate steps before Ballard could arrive in the colony. The Australian reading of the situation in New Caledonia was that the overwhelming majority of the French population was wholeheartedly on the side of de Gaulle and, although the attitude of some officials was "ambiguous", the Governor wanted to move in the same direction as the population and was working to avoid any situation in which the colony would be left without a constitutional authority at its head. Australia deprecated the popular demonstrations as due to a few "extremists" who wanted to move faster than the administration.[8] When Ballard took up duty in Noumea towards the end of August, his instructions were explicit:

> The last thing the Commonwealth Government desires is a local revolution or the overthrow of the French Administration by extremists in New Caledonia. Such an event might as a consequence result in a request to Australia to assume responsibility for law and order and defence or even to take over the colony as a protectorate. An appeal of this nature would, if acceded to or not, be misinterpreted in some quarters and would have far-reaching repercussions especially as regards French Indo-China. In any case, we are pledged publicly to maintain the status quo and to do nothing to alter the present position. The best solution seems to us to be to have an administration owing nominal allegiance to Vichy only but sympathetically inclined to the wishes of the local populace in regard to continuing the war effort—in other words to cooperate with the Allies as far as possible. You should endeavour to get the leaders of the local movement to accept this point of view not only for their own benefit but for ours. If Vichy concurs in the suggestion of the Governor that he leave the colony it would be advisable to suggest the appointment of a deputy acceptable to the Council and not leave the colony without a constitutional head.[9]

Developments during August, however, changed the situation. Early in the month the Vichy Minister for the Colonies sent out an instruction to the effect that a French Colony which continued to fight was guilty of treason. The French sloop *Dumont d'Urville* was ordered by Vichy to proceed to New Caledonia and after her arrival her Commander, Toussaint de Quievrecourt, recommended to Vichy various measures for maintaining control, squashing the local autonomist movement and breaking away from British economic influence. One of these recommendations was that Governor Pelicier should be removed from office. Pelicier had also failed to please the anti-Vichy elements and the Council had demanded his resignation. He handed over to Colonel Denis, the commander of the local military forces, who had been appointed as provisional Governor by Vichy on 30th August, and left the colony on 4th September.

On the other side, the anti-Vichy forces were rallying and demonstrating. Steps were taken to form a Free French Committee on the island and on 3rd August a local patriot, M. Raymond Pognon, communicated with de Gaulle asking for instructions. On 14th August de Gaulle, on confirming Sautot in his post as French Resident Commissioner in the New Hebrides, asked him to consider the possibility of going to New Caledonia to rally

[8] Cablegram from High Commissioner for the Western Pacific, dated 9 Aug, repeated to Australia and New Zealand, and cablegram 426 from Australia to Secretary of State for Dominion Affairs, 11 Aug 1940.

[9] Telegram No. 5 to Ballard, 29 Aug 1940.

it to the Free French cause. Finally, on 30th August, the United Kingdom Government conveyed to the Australian Government a request by de Gaulle that a British ship might convey Sautot from Vila to Noumea. As New Caledonia fell within the limits of the Australian naval station this meant, in practical effect, a request for a ship of the Royal Australian Navy.

The United Kingdom Government favoured the request and suggested that the Australian cruiser *Adelaide* might be used both to carry Sautot on his mission and, by its presence, induce the French sloop *Dumont d'Urville* to depart. Its arrival would also encourage the local elements to declare openly against Vichy. All the information was that the "overwhelming majority" was on the side of de Gaulle.

> We do not contemplate (the United Kingdom Government said) that it would be desirable or necessary for H.M.A.S. *Adelaide* to use actual force against the French war vessel—certainly not at present. What we should rather hope would be that her mere presence would reinforce the determination and efforts of the anti-Vichy party and that she would support the French Resident Commissioner in giving that party desired encouragement. The result may be to enable the local population to arrange their affairs in a manner satisfactory to ourselves without need for any overt intervention by us. But this process may, of course, take a little time during which the *Adelaide* can stay and report developments . . . .

Adelaide was made available on 1st September. The cruiser sailed from Sydney on the morning of the 2nd and from Brisbane on the 3rd, reaching Port Vila on the 7th. The instructions to the Commanding Officer, Captain Showers,[1] however, showed only slight variation from the cautiousness of the instructions to Ballard on the 29th. He was told that the sole object was to maintain good economic relations between Australia and New Caledonia. The general feeling in New Caledonia was understood to be favourable to good relations with Australia and the British Empire but the commander of *Dumont d'Urville* was endeavouring to sway opinion in favour of the Vichy Government. The presence of *Adelaide* and of Sautot might counteract this and might result in *Dumont d'Urville* leaving New Caledonia. These were to be the principal objects of the cruiser's presence. Annexation was not intended and great care should be taken to avoid any such impression. The instructions did not include the use of force.

While the warship was en route to Vila, the United Kingdom and Australian Governments were listening to further counsels of caution. From 30th August to 2nd September the British High Commissioner in the Western Pacific, Sir Harry Luke,[2] had been on a visit to Noumea, under approval given earlier in August by Pelicier and, although his presence undoubtedly stimulated further demonstrations of sympathy for the Allies by the local residents, both he and Ballard continued to work to avoid precipitate action by the de Gaullists and to ensure that any transition from Vichy to Free France was orderly and did not raise doubts about

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[1] Rear-Adm H. A. Showers, CBE; RAN. (HMS *Glorious* 1917-18.) Comd H.M.A.S. *Adelaide* 1939-42, H.M.A.S. *Hobart* 1942-44, H.M.A.S. *Shropshire* 1944; Second Naval Member, Aust Naval Board 1944-46, 1948-50. Of Preston, Victoria; b. Carlton, Vic; 24 May 1899.

[2] Sir Harry Luke, KCMG. Governor of Fiji, and High Commnr for Western Pacific, 1938-42. Chief Repve of Brit Council in Caribbean 1943-46. B. London, Dec 1884.

constitutional authority or leave the sovereignty of the colony in the air. One method under discussion among members of the Council was that the Council should request Vichy to authorise fresh general elections, the intention being that after such general elections the Council, which it was confidently expected would support the Allies, would request local autonomy while preserving a nominal link with France. Ballard reported to Australia on the 3rd that the President of the Council had had a "satisfactory" meeting with Governor Denis, who had been found "conciliatory", and on the 4th the Commonwealth Government also received a copy of a telegram dated 3rd August, from Vila by Sir Harry Luke to the Secretary of State for the Colonies, reporting on the general situation he had found in New Caledonia and also advising against precipitate action. Later on the same day they received a direct message from Sir Harry Luke referring to the situation in the New Hebrides and expressing the opinion that Sautot would have no jurisdiction in New Caledonia unless he went there with an appointment from de Gaulle as Governor of New Caledonia and French High Commissioner of the Western Pacific. He should not be taken to Noumea in a British man-of-war without credentials from de Gaulle.

Showers was instructed on the 5th not to proceed beyond Vila and to take no action pending further advice. The Prime Minister also pondered over a request received on the 4th from the United Kingdom High Commissioner in Canberra to convey a message from de Gaulle to Raymond Pognon, acknowledging the New Caledonian's report of the colony's sentiments, and asking him to form at once a General Committee favourable to the de Gaullist majority of the Council to take the place of the Council and to substitute it for the Council. Pognon was also to get into touch with Sautot, who, de Gaulle said, "has received my instructions". The message was sent to Ballard on the 5th with the expression of the Australian Government's opinion that it was dangerous and, if accepted literally, would mean taking action contrary to the objectives towards which Ballard had been instructed to work. Therefore Ballard was to hold the message until he had reported to Australia on the possible effect and what action would be taken by the recipient. This telegram is of interest only as an illustration of the mind of the Australian Government, for Pognon received a message in similar terms on 6th September direct from General de Gaulle and set about forming a de Gaullist Committee.[3]

The attempts of Australia to maintain a strictly correct course of policy were being quickly overborne by events. From London the Government learnt on the 6th of Vichy instructions to Governor Denis which made it appear that his conciliatory attitude might merely be an attempt to tide over a time of crisis without committing himself to any real cooperation

[3] Pognon seems to have been unlucky in his correspondence. The original direct message to him had been despatched by de Gaulle on 29th August, but by the manipulations of some local patriots, whose ambitions were tied to local autonomy, this communication, after having been intercepted by New Caledonian censorship, was withheld from him until 6th September. The message transmitted through Canberra did not reach the hands of the Commonwealth Government until 4th September.

with the Allies. They also received the opinion of the United Kingdom Government that the plan for sending *Adelaide* to Noumea should be continued and that, if Australia agreed, Sautot would be formally appointed Governor by de Gaulle. If it could be arranged Sautot might travel from Vila in a French vessel, supported by *Adelaide*. On the following day they learnt from Vila that a representative of the de Gaullist supporters in Noumea had arrived on the 6th to get into touch with Sautot and ask him to return to New Caledonia as Governor. This representative reported optimistically on the state of public feeling in New Caledonia and the prospects of the Vichy sloop *Dumont d'Urville* being seized by patriots, aided by some of her crew. He added that the de Gaulle Committee was being hampered in obtaining the unreserved support of the colonists for Free France by the belief that the Vichy Administration was being treated with "excessive consideration" by Australia.

On the 8th Canberra asked Ballard urgently for his views on the proposed action and received early on the 9th his opinion in favour of the scheme. He said that it had become increasingly clear that Governor Denis would carry out Vichy orders and that he had rejected the idea of a popular referendum to decide the colony's future. He only wanted to cooperate in trade to obtain funds for the colony's necessities and was unlikely to consent to carrying on the war in any sense. Thus the hope of obtaining a complaisant Governor in formal relations with Vichy could not be realised. The population was overwhelmingly, though not unanimously, in favour of continuing the war and if the existing regime continued incidents would be bound to happen. In any such disorder, the Japanese local residents, who were the keen competitors of the French labourers and small shopkeepers, might suffer (a point which was related to Australian concern lest these might be a pretext for Japanese intervention in New Caledonia). If a Governor appointed by de Gaulle arrived he would be welcomed and followed and there would be less risk of disorder following this course of action than of disorder following attempts by Australia to exert influence through trade relations without a change of government.

Some reinforcement of these persuasions was given in a telegram received on the same day from the External Affairs Officer, London, referring to reports of growing tension between Japan and Vichy over Indo-China and repeating the British view that if New Caledonia remained pro-Vichy there seemed to be a greater likelihood of Japanese intervention than if it openly renounced Vichy control.

On the 9th the Australian Government made its decision to assist the prospective *coup de force* and informed those principally concerned. When they made the decision Ministers had before them the reports from New Caledonia and London, a further communication from Vila that Sautot was ready to proceed and the instructions given by de Gaulle to Sautot, together with his appointment as "temporary Governor of Free New Caledonia and the High Commissioner of the Western Pacific". The instructions and Sautot's statements expressly declared that the operation should

be conducted as "a French operation in its form and manner and under the French flag with merely contingent support from H.M.A.S. *Adelaide* but without any naval engagement taking place".

Arrangements were made that Sautot should travel from Vila to Noumea as a passenger in the Norwegian tanker *Norden*. The instructions to the Commander of *Adelaide*, modifying those under which he had sailed from Brisbane, were that force was not to be employed unless *Adelaide* was attacked and armed parties were not to be landed except for the protection of British life and property.

When War Cabinet approved the decision on 10th September they stressed the importance of not provoking a conflict and, as a result of their discussion, a further warning was sent to *Adelaide* that it should be clearly understood that the responsibility of going to New Caledonia was a matter for M. Sautot himself and *Adelaide* was not to convey him there against his wishes.[4]

The hesitation of the Australian Government was induced partly out of concern for international propriety in a field that was quite novel in Australian external relations, partly by uncertainty as to what course of action in New Caledonia would leave the least opportunity for Japanese intervention and partly by touchiness on the allegation, assiduously spread in New Caledonia by Vichy sympathisers, that Australia had ambitions to annex New Caledonia. In regard to the third-mentioned influence, the Australian Government was so sensitive that on the day it made its decision to assist Sautot, the United States Minister in Canberra was informed and special instructions were sent to the Australian Minister in Washington that, if it was necessary to avert any criticism or undue publicity, he should make it clear that Australia, in conjunction with the United Kingdom, was acting in accordance with the desires of the New Caledonian population and the appointment of Sautot was in conformity with the wishes of the people, and in no way an interference with the *status quo* of the territory. It would be useful if the United States Government could be persuaded to let it be known that it viewed the incident in the same light.

As previously mentioned *Adelaide* had arrived at Vila on the 7th. Following conferences between Sautot, the commander of *Adelaide*, and the British representatives, and after further communications with Australia and London, Sautot sent to de Gaulle on 11th September a telegram informing him that the "fruit was ripe" and that he was ready to attempt, under de Gaulle's orders, to land in New Caledonia to place himself at the head of the Free French movement there. At midday on the 13th he received a reply from de Gaulle appointing him Governor of New Caledonia with full powers and leaving him freedom of action to rally the colony. The General made one sole recommendation: avoid bloodshed.

The plan which was worked out by the commander of *Adelaide* in consultation with Sautot required that the Free French in New Caledonia should attempt a *coup de force* at a pre-arranged date; that on the

[4] War Cabinet Minutes 492 and 498, 10 Sep 1940.

chosen date *Adelaide* and the Norwegian steamer *Norden* would arrive off Noumea and if, by the pre-arranged arrival of a boat from the land, it was clear that the *coup de force* would succeed, Sautot would be landed from the *Norden. Adelaide* would remain for twenty-four hours to ensure calm. If the coup had failed the ships would withdraw, using the least possible degree of force. These plans were conveyed to the Free French in New Caledonia and 19th September was agreed upon as the date.

The Free French in New Caledonia demonstrated, the ships arrived, Sautot landed a few minutes after midday on the 19th and, at the head of an enthusiastic crowd singing the *Marseillaise,* he drove to the Governor's office, produced de Gaulle's telegram and called on Colonel Denis to quit. By the late afternoon, after some feeble attempts by Denis to exert his failing authority or to outwit Sautot, the Free French Governor was in occupation of the government offices, with assurances of support from all except two of the heads of the civil service, and Denis was under arrest. The weapon had been popular feeling. Sautot describes how, watch in hand, he had given Denis twenty minutes in which to make up his mind and had himself occupied that twenty minutes reading a proclamation to the crowd from a nearby window and, when their cheers subsided, telling them that Denis wanted to arrest him as a traitor. With that literacy which crowds always assume in such narratives, a great shout at once arose: "It is we who will make the colonel our prisoner and we will hang him from the gates of the park". Sautot records that the colonel, who was within earshot, was yellow with fright when Sautot returned to him. He yielded his room and asked permission to leave by the servants' staircase and the back garden to avoid the crowd.

By direction of de Gaulle, the civil and military officials were to be given the option of declaring for Free France and remaining in New Caledonia or of being repatriated to France. In the course of the succeeding days Sautot was able readily to ensure the maintenance of the civil services. The military officers, and the continued presence in the harbour of *Dumont d'Urville* presented a tougher problem, and so long as the sloop remained and the army officers had any freedom of movement there was a danger of a counter-stroke to re-establish Vichy rule. On the 20th, in face of signs that the military would not cooperate and that the sloop would not depart, Sautot asked the *Adelaide* to stay for forty-eight hours. Another possible danger to the peaceful transition to Free French rule lay in the fact that another French sloop *Amiral Charner* had left Saigon on the 17th to make a rendezvous with *Dumont d'Urville.*

On the 21st the commander of *Dumont d'Urville* invoked international law and lodged a formal protest with the commander of *Adelaide* at the cruiser's violation of French territorial waters. Showers replied that he was there at the direct invitation of the recognised French Government.

Attempts to oblige the French commander to sail for Indo-China if still unwilling to rally to Free France were met in the statement that he was under orders from Vichy and by a claim that since Denis had been forced

to vacate his post de Quievrecourt had assumed the powers of representative of the Vichy Government.

A futile attempt by the military to release Denis on the 23rd was followed by the arrest, on Sautot's orders, of the officers. On the same day the commander of *Dumont d'Urville,* which had been lying in the harbour without communication with the shore, applied for supplies and fresh water and was told by Sautot that he would only be given them if he signed a document containing the conditions for his departure from New Caledonia and the Pacific in general.

On the same day, before it was aware of the firmer line being taken by the Governor, the Australian Government, becoming deeply concerned at what seemed to be a deterioration of the situation, sent further instructions to Ballard to the effect that he was to express to Sautot the Australian opinion that Denis should be deported, his followers in the armed forces interned immediately and "extremists" deported, too. Sautot should ask the commander of *Adelaide* for protection against any attempt to interfere with internal control or administration of the colony or against any vessel hostile to Free France in or proceeding to New Caledonia and if he asked for this protection the commander of *Adelaide* would immediately give it. On 24th September, however, Ballard was able to report that the position was "practically normal" and that "any remaining difficulties were minor only".

On the 24th the commander of *Dumont d'Urville* accepted the conditions presented by Sautot, undertaking to leave the territorial waters of New Caledonia by the 25th at the latest and sail for Saigon, accepting the warning in advance that British naval forces would oppose his passage eastward and that his position would be checked daily by British aircraft. Sautot gave assurances on his part for the repatriation of Vichy officials and their families. The commander was also required to accept the further condition that as soon as he came into touch with *Amiral Charner* he should pass on to her commander the order to return to Saigon and the warning of the danger of continuing her voyage into the Pacific.

The sloop, having been revictualled, sailed on the 25th. *Adelaide* was instructed to remain at Noumea in case it was necessary to intercept *Dumont d'Urville* which was kept under air observation from Rabaul. When the cruiser left for Brisbane on 5th October the island was outwardly normal and the episode ended with the sailing of *Pierre Loti* with 132 French repatriates for Brisbane on the first stage of their journey to Saigon.[5]

The establishment of Free French rule in New Caledonia and the deportation of the Vichy leaders, meant that the colony was for all practical purposes allied with Australia in the war against Germany and, indeed, at the prompting of General de Gaulle, the colony set about raising a small expeditionary force for service with the Free French in the Mediter-

[5] Sautot, *Grandeur et Décadence du Gaullisme dans le Pacifique* (Melbourne, 1949) for description of events as seen by the principal actor on shore. For details of operations by *Adelaide* see G. H. Gill, *Royal Australian Navy 1939-1942*, in the navy series of this history.



Daily Telegraph (Sydney)

Special appeal days such as this held in Martin Place, Sydney, on 17th January 1941, were organised with the hope of increasing sales of War Savings Certificates. The Certificates scheme, begun in March 1940, was designed for the small investor, the certificates being available in denominations of £1, £5, £10 and £50. Later, groups of purchasers were organised. Sales, less amounts repaid to those cashing certificates, were: at 30th June 1940, £6,099,886; 1941, £17,380,098; 1942, £26,170,601.





Daily Telegraph (Sydney)

Children evacuated from Britain. In July 1940 the British Government announced that it was unable to take the responsibility of sending abroad ships loaded with children, but children were sent to Australia at their parents' risk, and at the risk of voluntary associations who arranged for transport. This group arrived in Sydney in October 1940, and at least one member brought with him his gas mask—standard issue to British civilians.

ranean. There still remained, however, acute problems related both to the defence of New Caledonia itself and the internal economic and political conditions of the colony. New Caledonia, which was of considerable strategic importance in the Pacific, was practically undefended and its local capacity for defence was limited to the raising of a home defence force of possibly 6,000 men armed with rifles. French naval forces in the Pacific were in Indo-China, which was under Vichy control and increasingly under Japanese pressure.

In December the Australian Naval Board became so concerned about the danger to Australia which was presented by the weakness of New Caledonia that it presented to Cabinet a statement on the need for immediate action to prevent the island from falling into Japanese hands. The importance of New Caledonia, according to this statement, was first, its value in the production of nickel and chromium and its potential production of iron ore and, secondly, its strategic position. Japanese interests had been making strenuous efforts to gain peaceful control of certain mines in New Caledonia, for hitherto Australia's agreement to take an increased proportion of New Caledonian nickel had prevented Japan from obtaining all the supplies she wanted. In the event of war, possession of New Caledonia by Japan would enable her to control shipping to and from New Zealand, would paralyse trade on the east coast of Australia and, in conjunction with use of the Japanese mandated islands, would greatly impede a westward advance of a United States fleet and increase the difficulties of operating from Australian or New Guinea bases as well as presenting an obstacle to the approach to Singapore from the southern Pacific. The internal situation was seen by the Naval Board as follows:

> The position of Sautot (Governor of New Caledonia) is made difficult by the presence of a group of mercenary opportunists who are prepared to sell themselves for immediate profit. They are known to be associated with the Japanese mining interests. In the event of a Japanese move they would constitute a substantial fifth column, even by merely urging that no resistance should be made. The Japanese population is about 1,200, the European about 18,000 and the natives about 30,000. Not all the natives are friendly to the French and they can be bribed with Japanese gifts. The will to resist, at present, would not be sustained.

The sort of eventuality that was feared was that Japan, after recognising the Vichy Government and having a stranglehold on Indo-China, would create a pretext such as the murder of a Japanese in New Caledonia, to allege that the de Gaulle Administration was not capable of maintaining order and demand that Japan be asked by Vichy to undertake the restoration of a Vichy puppet government. By such means Japan could gain immediate control of the nickel and actual possession of the island.

To meet the danger the War Cabinet was urged to take action, both on its own and by representations to General de Gaulle and other governments concerned, to improve the defences of New Caledonia and to give financial and economic backing and improved communications for the island. The broad objective was to revive the morale of New Caledonians,

to create a force which would oblige Japan to undertake a major operation if she wanted to gain the island instead of infiltrating by political chicanery, and to enable New Caledonia to dissociate herself politically and economically from Indo-China and to assume her intended place as the headquarters for French possessions in the south Pacific. It was urged that unless such steps were taken immediately the Japanese would "acquire" the island within the next three months.[6]

At a meeting on 7th January 1941 War Cabinet approved of financial assistance being afforded to the Free French forces in Oceania with special reference to military requirements.[7] After reference to the Chiefs of Staff, the Government obtained the agreement of General de Gaulle to the holding of staff conversations with the Free French in New Caledonia, and a military mission left Sydney for Noumea on 14th February. The basis for Australian policy was laid down as follows:

"(a) Acceptance by Australia of financial responsibility for assistance to the Free French forces in Oceania subject to later adjustments with the other governments concerned;

(b) The Commonwealth's operational responsibility is to be limited to New Caledonia; and

(c) New Zealand will continue to be responsible for assistance in the defence of Free French territory in the New Zealand station".[8]

6—THE A.I.F. IN ACTION

Thus, by consultation with other governments and measures on its own part, the Australian Government was attempting to make itself more secure against possible danger in the Far East. The main spearhead of its war effort, however, was still in the Mediterranean and the Middle East and it still saw the more urgent peril in the Battle of Britain and the Battle of the Atlantic. Japan was still a prospective foe. The active enemies were Germany and Italy. Then, in the Western Desert of Egypt, fifteen months of military preparation culminated in battle.

Wavell had opened his offensive with the Battle of Sidi Barrani on 9th and 10th December and, by the 16th, all enemy troops had been driven out of Egypt, the greater part of the Italian army withdrawing into Bardia. While the British 7th Armoured Division had been pursuing the enemy the 6th Division had been brought up to replace the 4th Indian Division, which was needed for reinforcing the Sudan, and, on the morning of 3rd January 1941, went into action against Bardia. During January and early February the troops of the Second A.I.F. shared in the notable series of successes—the first which had been brought by Allied arms on land—by which the Western Desert Force advanced 500 miles, destroyed an Italian army of four corps comprising nine divisions and part of a tenth, and

[6] War Cabinet Agendum 282/1940, 30 Dec 1940.

[7] War Cabinet Minute 681, 7 Jan 1941.

[8] War Cabinet Minute 793 and Supplement 1 to Agendum 282/1940. Measures subsequently taken for the defence of New Caledonia are described in the army and navy series.

captured 130,000 prisoners, 400 tanks and 1,290 guns. It was a glorious beginning. The young troops of a new generation were conscious of the comparisons with the dramatic baptism of fire at Gallipoli a quarter of a century before which had established an Anzac tradition. A war correspondent who was in Bardia on the night it was taken has written:

> Men who, since childhood had read and heard of the exploits in battle of the First A.I.F., who had enlisted and trained under the shadow of their fathers' reputation as soldiers, had come through their ordeal of fire and built a reputation of their own. More than one man came to me that night in Bardia and said: "Correspondent, eh? Well, when you write to the papers tell them we're as good as the First A.I.F." We Australians have a deep strain of arrogance, at times almost a small boy's capacity for exhibitionism, but this was not arrogance or exhibitionism. It was the expression of a desire to let the people back home know that they had carried the torch in strong hands.[9]

Back home in Australia the people learnt more than the facts of battle and their hearts kindled with more than pride in their fighting sons. They too began to feel that stiffening of resolution that remains after the baptism of fire.

7—THE PRIME MINISTER GOES ABROAD

Towards the end of January, the Prime Minister, in accordance with arrangements which had been under discussion since early November, left Australia for consultations in Britain on matters relating to the war policy of the British Commonwealth. Before leaving he outlined to the Advisory War Council the major subjects on which consultation was desirable. These were the position in the Far East, including policy towards Japan; policy in relation to the Netherlands East Indies and the importance of planning in advance with the Dutch the action to be taken in case of Japanese aggression, and a "frank discussion" of the weakness of Singapore; the Middle East position including strength of forces, equipment, military objectives, and the unsatisfactory news arrangements about the activities of the forces; policy towards France; aircraft production and particularly the possibility of further developing the aircraft industry in Australia; and the expanding of Australian shipbuilding capacity. There was a long discussion at two successive Council meetings, in the course of which, among other subjects mentioned, was the importance of the attitude of the United States in shaping the policy of the British Commonwealth in the Far East and towards France.

Curtin was absent from the Council meetings but Forde, after having consulted him by telephone, expressed the party's view that it was the Cabinet's responsibility to take any decision regarding the Prime Minister's visit to London, or alternatively, to consult Parliament on the subject at a secret session. Although the non-Government members of the Council could not give any undertaking in respect of their parties, he felt that the commonsense of members should not give rise to any embarrassment to

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[9] John Hetherington, *The Australian Soldier: A Portrait* (1943).
These operations are described in detail in G. Long, *To Benghazi* (in the army series).

the Government during the Prime Minister's absence. There was no difference of opinion between the Government and the Opposition on the matters which had been discussed in the Council.

The Prime Minister concluded that, in the light of the discussion and the view expressed by non-Government members of the Council, he would be better able to say in London that he spoke for all parties in Australia.[1] In the absence of Menzies, Fadden was to be Acting Prime Minister.

The Prime Minister left Sydney by air for London on 21st January. While passing through the Netherlands Indies, Malaya and India he had discussions with the administrators on questions related to the war, and in Palestine and Egypt met service chiefs.

In Palestine, Egypt and Libya, too, he talked with Australian sailors, soldiers and airmen, seeing many of them fresh from battle, in Tobruk, Benghazi and Benina. In a broadcast from Cairo he spoke of his intense pride in what the A.I.F. had done and also said:

> One other feeling I shall carry away with me from these scenes. It is not a feeling of mere exultation or vainglory. This is to us British people no swashbuckling enterprise for plunder or power. It is a crusade. No man can contemplate the deeds of these our heroes on the sea, on the land, and in the air, without forming a solemn determination to do all that he can to support them. To my own people in Australia who may be listening to me I say: "These men of ours deserve not only our cheers but our backing, our work, our sweat and our sacrifice". No half measures will be sufficient. No limited efforts will do. The more one sees of these countries in which British power is accumulating in numbers, skill, experience and materials, the more one realises that our enemy has yet to see the best of us. Every month that goes by sees us stronger and sees him more strained. If we can all only realise that the soldier in the front line and the workman in the factory are in this war brothers in arms, that they help one another, that they do not desert under fire, the total effort of the British Empire will be irresistible.

[1] Advisory War Council Minutes 79, 8 Jan and 82, 9 Jan.

CHAPTER 7

FEAR IN THE FAR EAST, FEBRUARY 1941

EARLY in February 1941, while Mr Menzies was on his way to England, Australian newspapers suddenly flared into headlines about danger in the Far East. "We stand in danger," "Danger of Hostile Action," "Australia in Peril of Attack," "War Threat to Australia," "Warning of Crisis." These were some of the labels placed above reports emanating from a meeting of the Advisory War Council on 5th February about the situation in the Far East, combined with suggestions that not only had the war changed but that the character of the Council had also changed. "From being a purely advisory body tending to be preoccupied with relatively minor grievances," ran a report in the Melbourne *Herald*, the "Council has been transformed overnight into a body of men acutely conscious that their transcending function is to unite and sink political differences."[1] The Sydney *Sun*, after referring to "dramatic revelations", added that they would probably have the effect of securing greater Labour cooperation with the Government.[2]

An examination of the information before the Advisory War Council does not indicate that the outlook in the Far East on the 5th February was so changed in character as to justify the raising of an alarm. The news about Japan concerned chiefly her activities in relation to the peace treaty between Thailand and Indo-China and her attempts to extend her influence in both countries.[3]

The Council meeting on 5th February was the first meeting held since the departure of Menzies. It was also the first meeting attended by Curtin since 16th December. The Government was represented only by Fadden, and by Spender who had bustled home from Malaya full of information about its weaknesses.

The discussion on Japan took place at the request of the non-Government members. As Minister for the Army, Spender set out several broad considerations affecting Australian interests, and Curtin followed with a long assessment of the state of the war, leading him to the conclusion that the next six months would be fatal to one side or the other. It was therefore essential that internal friction should be dissipated and that all sections of the community should put their best efforts forward to maintain full Australian and Empire integrity. He thought that while major questions of this nature were demanding attention matters such as petrol rationing, the ban on overtime and other relatively unimportant questions should be

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[1] *Herald* (Melbourne), 6 Feb 1941.

[2] *Sun* (Sydney), 6 Feb 1941.

[3] From information published since the war, we know that in January 1941 the Japanese naval staff had begun to study a carrier raid on Pearl Harbour (see J. C. Grew, *Ten Years in Japan* (1944) and S. E. Morison, *The Rising Sun in the Pacific* (1948)). The information available in February 1941 in Australia, however, was limited to that summarised in the present chapter. Curtin's very acute concern with Australia's danger at this stage would appear to have been the result of his own private brooding over the war rather than of the receipt of new information.

placed in the background. His view of the strategical position was that the danger to Australia would come in the first place from the sea and, secondly, from the air, while the army would only be brought into full action if both the navy and the air force had failed. This led him to the advocacy of the reinforcement of the Australian Naval Squadron, although in the course of the advocacy, he admitted that the situation in the Mediterranean, North Africa and the Atlantic indicated that at present reinforcement was not practicable.

The Chiefs of Staff were then called into the meeting and were questioned, mainly by the non-Government members, regarding various possibilities in the defence of Australia. In the course of this questioning the Chief of the Naval Staff and the Chief of the Air Staff both referred to the problems of defence which were being caused by labour difficulties, the Chief of the Naval Staff saying that the effective defence of Australia was not being hampered in any way by the withholding of any authority by the Government but that the naval effort was being set back by continuous strikes and labour problems in shipyards and docks which, of late, had shown a twenty-five per cent lag in output over earlier months. At this the non-Government members expressed the view that the delays might largely be overcome with better publicity in Australia as to the real war position. The final paragraph of the minute reads: "Non-Government members agreed that as a result of the frank discussion that had taken place they had come to a fuller appreciation of the alarming situation that Australia was in and recommended that a press statement should be issued so that the position might be brought nearer home to the general public".

The Council then adjourned to meet again later in the evening and approve of a draft press statement which had been prepared in the meantime. This statement read as follows:

The Acting Prime Minister, in a statement issued tonight, said that the meeting of the Advisory War Council today had been attended by all members, with the exception of the Minister for the Navy, Mr Hughes, who had not fully recovered from a recent illness.

At the meeting (Mr Fadden added) special consideration had been given to the recent trend of affairs in the international situation and the resultant effect on the defence of Australia. To enable this to be done, the Council deferred the agenda paper which had been prepared.

A searching review was made of the Australian defence measures which had been taken in hand by the Government to meet any emergency which may arise. During this discussion the Chiefs of Staff were called into consultation. The discussion covered such questions as the protection of Australian overseas and local seaborne trade, the disposition of our naval forces, the activities of the Royal Australian Air Force and the defensive measures taken or in hand for sea, land and air defence, particularly in the localities which were vital to the defence of Australia.

The Council was told of the War Cabinet proposals to further speed up defence activities, particularly in relation to the protection of Australia from enemy attack, and to obtain the maximum industrial effort in munitions production and other war industries which were always so vitally necessary to Australia and now more vital than ever.

It was evident from the discussion (Mr Fadden said) that all members of the Council realised Australia, equally with the Empire as a whole, is now entering

upon a period in which its very existence is at stake and that great responsibility rests upon all sections of the community to ensure that the maximum effort is exerted to carry us through the vital months ahead and to ultimate victory.

The issuing of a statement on behalf of the Council was in itself unusual. The official records of the Council suggest that the sole purpose of Curtin in persuading the Council to issue a statement on this occasion was to try to awaken the nation to a greater war effort and, in particular, to have an effect on industrial unrest. Late in the same meeting he spoke with concern about the state of opinion in Australia, complaining that the newspapers were both giving too much attention to the "irresponsibles" in trade unions and also recording too fully the entertainments and social activities of the wealthy classes in such a way as to create discontent in the minds of the poorer people. Referring to strikes in shipyards, he said:

If it can be brought vividly home to the members of the unions engaged in such activities that the lack of ships and of degaussing and paravane equipment was causing the loss of lives of fellow unionists in the Seamen's Union, they would readily agree to forego all their objections and make extreme efforts to remedy the situation to the best of their ability. The general public did not realise the danger that lay at their very doors. There was an urgent need for the public generally to be shocked into a proper realisation of the position.[4]

It was apparent, too, from other remarks made by Curtin at various stages of the meeting, that he had been giving considerable thought to the position of Australia in the event of war in the Far East, appreciating both the weaknesses in that region and the need for the concentration of a larger effort in the immediate present in the main theatres of war. He suggested, however, that Australia should reinforce Singapore instead of sending more troops to the Middle East and, it then being divulged to the Council that the War Cabinet had decided to despatch a brigade group to Malaya,[5] he said that, if possible, further troops should be sent.

The way in which the mind of Curtin was working is further indicated by the records of a meeting of the Council a week later. The Council had before it the regular statement on international affairs prepared for its meetings by the Department of External Affairs and, in the course of the meeting, the Acting Prime Minister also read out cablegrams received since the previous meeting reporting on the Far Eastern situation. These reports included a message from the Dominions Office referring to various "straws in the wind" which, though no one of them was conclusive in itself, supported a view that the Japanese might already have decided to push southward, even if this meant war. Latham had reported from Tokyo on some of these matters rather more quietly and less apprehensively. Australian Censorship and Intelligence had also reported an instruction by a Japanese shipping company to its office in Sydney that dispensable employees were to return to Japan and that the Commonwealth Bank had received a number of applications for withdrawal of funds by Japanese women leaving Australia.

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[4] Advisory War Council Minute 130.

[5] See Chapter 6, p. 297 above.

The general discussion followed a normal course, with Beasley characteristically cross-examining Ministers, until Curtin intervened and, picking up a reference made in the cablegrams to the possibility that the first Japanese move might be to demand the surrender of Hong Kong, started to discuss the whole of the possibilities in the Far East and the peril of Australia. He suggested that Japan, by refraining from forceful attack farther south than Hong Kong could hope to save herself from American intervention for the time being and, by indicating her intentions of dominating the foreign areas adjacent to Japan and withdrawing her attack from Communist China, she might hope to placate the Soviet Union and strengthen Russo-Japanese relations. Looking beyond this immediate probability, as he saw it, Curtin then considered the possibility of eventual American intervention in the war. He thought that if the war was going against the Allies, the United States might concentrate in the first instance on strengthening Great Britain in the Atlantic and leave it until later "to get back the outposts of Empire".[6]

The transfer of American naval forces from the Pacific to the Atlantic would be disastrous to Australia. He summed up his view of the possibility of American aid by saying that, if Australia were drawn into war in the Pacific, she must stand alone for the time being and that even if America intervened, immediate assistance would not be available. The two questions which required immediate attention, therefore, were the strengthening, if possible, of the naval force at Singapore and ensuring the utmost efficiency of the Australian air defences to counter air attack which, in the early stages, would possibly be sporadic but nevertheless have serious results.

Curtin then made what was, in effect, although not so stated, an attack on the delusions which he himself had nurtured before the war and during the early months of the hostilities in Europe. He referred to "the attitude of neutral European nations before they had been invaded that no action must be taken of a provocative nature". He felt to some extent there was reluctance in the same direction in Australia. There should be no emulation of the attitude of the neutral European nations and the fear of provocative action. He doubted whether any advantage could be obtained by hesitancy, and suggested that Australia should muster her forces for her own defence, and that orders should be issued immediately for a test mobilisation. This would not hasten enemy action as undoubtedly the enemy had full plans completed and it was only a question of time as to when they would put them into effect.

Curtin also found additional reasons for having a test mobilisation in the effect such action would have on Australian opinion. A test mobilisation would be costly and would immediately affect the output of industry but its eventual result would be stimulation of all industrial output while its immediate advantage would be the test of the Australian war machinery

[6] Although it is extremely doubtful whether Curtin had any direct information on the point, his assessment of the position was very close to the accounts subsequently received by the Government of an interview in Washington between Roosevelt and Halifax. See page 331 below.

and the rectification of deficiencies found to rest therein. Cost must not be regarded.

Spender stated that he had plans in hand already for "a partial test mobilisation" but he demurred at the cost of a full test. Curtin pressed harder, however, and recommended to the War Cabinet in his own name that Australia be put on a war footing at once. His reasons were that such action would have a "psychological effect on the public in bringing them to a full realisation of the position"; deficiencies would be laid bare and steps would be taken to rectify them; it would result in training not only fighting forces but also the civil population; it would bring the civil population to some realisation of the danger of air attack on cities by high explosive and incendiary bombing and gas; and it would bring to light the paucity of anti-aircraft protection.

Curtin then passed to a discussion of the current industrial troubles in Australia. He suggested that the leaders of industry, both employers and employees, should be called together to be given information which would clearly bring home to their minds the seriousness of the situation. There would be some leakage of information, even with censorship, but the results would not by any means be more serious than the present fifth columnists' activities. If the leaders of industry could be given the facts the results would be effective.

The Ministers hesitated and pointed out various practical difficulties in the way of a full test mobilisation. Referring particularly to industry and transport, they suggested that it was undesirable knowingly to strain the machine to breaking point simply to carry out a test. Let plans and tests go step by step, taking the vital areas first.

Eventually the non-Government members, knowing that plans were under review for partial mobilisation, joined in a recommendation to the War Cabinet, replacing the personal recommendations of Curtin, that "in view of the serious international situation and the menacing attitude of Japan" plans for a mobilisation of the armed forces of Australia should be taken in hand so that Australia could be put on a war footing immediately the necessity should arise. Then Fadden warned members of the secrecy of the matters discussed and asked them to refrain from making information available to the press. A prepared statement would be made in the name of the Council.

Curtin, revealing still more clearly his concern with stirring the people of Australia to a realisation of danger, at once submitted a short draft of a press statement. Objection was taken by other members on the ground that it might create a panic. Eventually, after discussion between Fadden and Curtin, a statement was issued in the name of the Acting Prime Minister, the Leader of the Opposition and the Leader of the Non-Communist Labour Party as follows:

> The Advisory War Council, at its meeting today, considered certain cable messages received by the Government dealing with recent developments in the international situation. The nature of these messages led the Council to decide to adjourn until tomorrow afternoon because in the meantime the position will be reviewed by the

War Cabinet in consultation with the Chiefs of Staff of the services. The Chiefs of Staff have been asked to come to Sydney to attend a special meeting of the War Cabinet tomorrow morning.

As the Commander-in-Chief of the Forces in the Far East, Sir Robert Brooke-Popham,[7] is now in Australia he has been invited to be present.

The Advisory War Council will meet later in the day and the Chiefs of Staff will be invited to discuss the present situation.

We think we should tell the people of Australia that it is the considered opinion of the War Council that the war has moved on to a new stage involving the utmost gravity. At the meeting today a complete review was made of the existing situation and its implications. These can only be described as of most serious import.

It is necessary to say that various contingencies of the next few weeks have been taken into account and effective preparatory measures have been taken.

Australia has been at war now for more than a year, our sea, land and air forces each have been gallantly and effectively engaged in various theatres of war in this crucial conflict. Each arm of the services has proved its mettle incontestibly.

What the future has in store is at present not precisely clear. What is clear is that Australian safety makes it essential that there should be neither delay nor doubt about the clamant need for the greatest effort of preparedness this country has ever made.

The last five paragraphs of this statement were a modification of Curtin's original draft, from which had been excised such sentences as "the people of the Commonwealth are advised that the maximum preparations are in train and that these are being made with maximum speed", and "events now widen the area of the general conflict; they bring it closer to our shores".

Again, although on this occasion the Council did have before it reports suggesting a deterioration in the general diplomatic situation in the Pacific, the change in the Far Eastern situation would not then appear to have justified so definite a statement or the creation of an impression that the Council had received news which vitally altered prospects of peace in that region.[8]

By this time Curtin had not only convinced the Advisory War Council and was in process of convincing the public that great danger was ahead, but he had also caught up both Fadden and Spender into the feeling of dire urgency. The press had also made liberal use of the news contained in the successive statements issued by the Council, and various other political leaders on both sides of the House had joined in the call to the country to arouse itself. Fadden issued additional statements in his own name following the War Cabinet meeting of 13th February, including the sentence "In plain words, we find ourselves in serious danger of hostile action near if not upon our own coastline".[9]

At a further meeting of the Advisory War Council in Sydney on 14th February, when the Commander-in-Chief in the Far East, the Chiefs of Staff and four additional Ministers were present as well as Council mem-

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[7] Air Chief Marshal Sir Robert Brooke-Popham, GCVO, KCB, CMG, DSO, AFC. Inspec-Gen RAF 1935-36. Gov. of Kenya 1937-39; C-in-C Far East 1940-41. B. Wetheringsett, Suffolk, England, 18 Sep 1878. Died 20 Oct 1953.

[8] Advisory War Council Minutes 145 and 147, 13 Feb.

[9] *Sun* (Melbourne), 13 Feb 1941.

bers, Curtin again took the lead in discussion of Singapore and, inevitably, that discussion turned to the great importance of equipment and the need for the maximum effort in Australian industry. Earlier in the same day, Curtin had met union officials in private conferences at the Sydney Trades Hall, explaining the war situation to them and appealing for a maximum effort. He recounted this action to the Council. At the close of the meeting he again returned to his main theme, stating that Australia was passing through a critical period of imminent danger and it was desirable that the public should be informed. He realised that this might to some extent create a panic but positive results would be obtained. Immediate action which concerned Australia now was to ensure that all our forces were provided with proper equipment and machinery of war.

The effect of the Fadden-Curtin statements about the Far East was reduced in the succeeding days by various incidents. The veteran Minister for the Navy, Mr Hughes, was openly sceptical. When reporters rushed to the Chief of the General Staff, General Sturdee,[1] on his arrival in Sydney for the special meeting of 14th February, he was reported to have said that he did not know why the Chiefs of Staff had been summoned and would be glad to be told. From even higher quarters, the United States Secretary of State was quoted to the effect that he had no official knowledge of reports of an urgent situation. Furthermore, Menzies added to the disparagement of the statement when, in the course of a statement in London on 21st February, he expressed hopes for peace in the Pacific and of reaching agreement and friendly relationships with Japan, although warning that it must not be thought by anybody that "Australia was either unwilling to defend herself or incapable of defending herself". The non-Government members were particularly annoyed by Menzies' statement. In a telegram in response to their criticisms the Prime Minister explained that in reality his statement was addressed to the British Foreign Office and was intended to challenge what he regarded as a fatalistic attitude towards relationship with Japan. He could not accept the idea that Australia was to drift inevitably into war with Japan and, although not suggesting a policy of retreat or appeasement, believed that the British Commonwealth should have a positive policy of thrashing out differences with Japan and, if necessary, telling Japan just where the limits of tolerance ended. In brief, there should be a positive policy of friendliness with firmness on everything that was really vital, instead of taking it for granted that Japan would make war.[2]

For their part, however, the members of the Advisory War Council believed that their press statements, combined with the despatch of a brigade of Australian troops to Malaya, "had been effective in staying the hand of Japan in regard to any southward penetration she may have

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[1] Lt-Gen Sir Vernon Sturdee, KBE, CB, DSO; CRE 5 Aust Div 1917-18; GSO 2 GHQ BEF 1918. CGS, Aust 1940-42 and 1946-50; Head of Aust Mil Mission in USA 1942-44; GOC First Army 1944-45. Regular soldier; of Toorak, Vic; b. Frankston, Vic, 16 Apr 1890.
[2] Advisory War Council Minute 206, 6 Mar.

had in mind".[3] For this far-fetched claim, however, the historian can find no substance. It is difficult, too, to accept the statements issued by the Council as being a response to an international situation, unless one assumes that the political leaders were so nervy and excitable that they could no longer weigh the facts before them. The records already quoted also indicate the large part that purely domestic considerations played in shaping the Council's action and Curtin's advocacy of action.

Some of those who witnessed the events were disposed at the time to rate the move as only a political dodge to attract attention away from Menzies and London to Canberra and the Labour Party, and to foster an impression that the Opposition had a better knowledge of the needs of Australia and was more capable of giving dynamic leadership through the Advisory War Council than was War Cabinet. Others saw in it a dramatic assertion by Curtin of the priority of the Far East over the Middle East, where the triumphs of the A.I.F. at Bardia and Tobruk in January had given the nation a touch of glory and where there were signs that Australia would become more deeply involved. These are, however, interpretations of motives that necessarily remain obscure. The recorded evidence suggests that, far more persuasive than either of these two possible reasons, was the purpose of rousing the people into a greater war effort.

Three elements are clearly discernible in the statements made. One was an attempt by Labour itself to end industrial unrest by bringing to the people a keener realisation of the danger of the country and the need for a stronger war effort. Besides the quotations from Curtin was the earlier and more emphatic demand by Forgan Smith, Labour Premier of Queensland at the interstate convention of the Australian Workers' Union on 3rd February: "To retain our country and protect our free institutions we must work like hell and fight like hell".[4] The period was one of activity by Curtin and others among the trade unions to overcome the obstructive influence of those left-wing industrial leaders whom they publicly dubbed "irresponsibles".

A second element was the special concern with the home defence of Australia conceived as the resistance to a Japanese attack. Labour and a great number of other Australians had always regarded Japan as the main danger and the one against which Australia should make major preparation. Curtin's reflections on the war during his absence from Canberra had undoubtedly made him more acutely aware of the peril of his country.

The third element, seen in statements made by parliamentarians outside the Advisory War Council was the criticism by implication that the Government had neglected to prepare adequately for the defence of Australia against Japan, that it did not see the danger as clearly as Labour saw it, and that it had not done all that Labour would have done. Labour shared in the credit that was given for arousing the country from complacency and was able to draw the moral that the reason why the people

[3] Advisory War Council Minute 174, 28 Feb.

[4] *Sydney Morning Herald*, 4 Feb 1941.

had to be aroused was because the defences entrusted to the Government were sadly lacking.[5]

At first, newspaper editorials interpreted the statements on their face value. "Ministers and Labour leaders have clearly received and are responding to electrifying information transmitted from overseas", said the *Sydney Morning Herald* on 7th February, and, on the 14th, under the heading "Storm Clouds Lower" the same paper said that the joint statement issued on the day before could "only be read as the intimation that little hope is now entertained of Japan's refraining from actively assisting Hitler in the war", and it went on to read the moral that internal political differences must be submerged. Other newspapers, who for the past three months had been complaining of complacency, welcomed the various pronouncements and, in some cases, excused any severe emphasis if only it succeeded in calling the people from a "rosy dream".[6]

Not everyone accepted them so readily however. In Parliament, in the course of an angry scene with frequent interjections, Ward declared that the grave warning issued by the Council was a hoax, and that it had been deliberately arranged by the Government in order to prevent discussion of "such scandals as 'Fostar's Army Boots' and 'Abbco's Bread' ". Ward, who had been so often the spokesman of some of those Labour groups whom it had been Curtin's intention to stir into a sense of responsibility, must have been unusually ill-informed about what was taking place within his own party if he were really unaware of the fact that it was not the Government but his own party leader who had taken the chief part in shaping the Council's action, and that Curtin's concern had been to ensure that the major and vital issues of the war were given attention and that the whole national effort was lifted above those rather less important questions which, since the beginning of the war, Ward and some of the other Labour cross-benchers had made their whole meat and drink.

Moreover, there was inevitably a reaction when it was found that no immediate danger appeared. For example, the *Age* (Melbourne), which had written respectfully of the first announcement in its editorial columns of 7th February, attacked "alarmist statements" on the 17th February. While admitting the seriousness of the war outlook, the paper said:

> It is however essential to employ language as strictly applicable as possible to current development and to avoid indulgence in anything savouring of melodrama. The statement published jointly last week by three political leaders and members of the War Council . . . might of course be regarded as evidence of the Government's vigilance, of its desire to give to the people the Government's confidence, and to invite from them their cooperation. It would, however, appear that there was something precipitate about the implicit suggestion of an immediate outbreak in the Pacific, with the prospect of Australians being implicated as active agents, and of an early attack on this country as a new enemy's probable objective. Yet these impressions were very definitely created. Almost as soon as the broadcast ceased, anxious enquiries as to what it actually meant were being received at *The Age* office from

[5] *The Australian Worker* 12 and 19 Feb.

[6] *Daily Telegraph* 7 Feb.

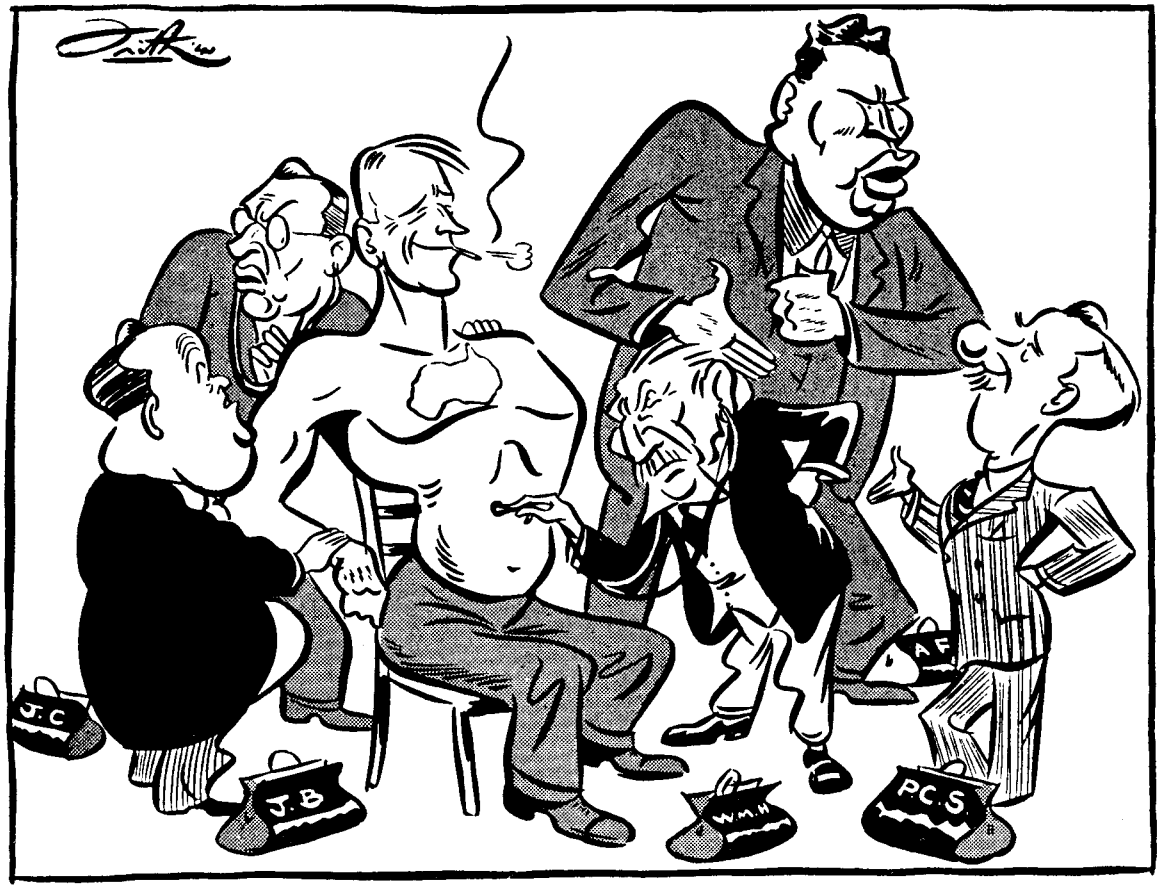
all parts of the State. The announcement of the War Council's sudden adjournment, the hasty consultations with Chiefs of Staff, the expressed considered opinion of the War Council that "the war had moved to a stage involving the utmost gravity" . . . the cumulative effect of all this on the public mind would seem to have been imperfectly estimated . . . . Into thousands of homes last week's startling message suddenly crashed. Before its grave purport could be clearly comprehended it had concluded, leaving behind a mass of hurried and necessarily confused impressions. Inevitably misapprehensions and innocent distortions augmented the general sense of alarm . . . . Despite the upheaval suddenly introduced last week, the truth is that the Far Eastern situation remains much as it was.

The statements by the Advisory War Council might have been justified if they had had the effects on industry which Curtin had anticipated. It is doubtful whether they did. There was one other aspect of the matter. Whatever the effect on home affairs, foreign relations had been mishandled. On one side of the world the Prime Minister, with the backing of War Cabinet and the knowledge of the Advisory War Council, was about to engage in discussions which had as their ultimate purpose a closer concert between the United States of America and Great Britain either to deter Japan or to prepare against Japan. The Australian declarations, made without warning or consultation with any other government, popped noisily into the Pacific scene.

Less than a fortnight before the "scare" started, the Australian Minister for External Affairs, Stewart, who was not a member either of the War Cabinet or the Advisory War Council, had made a public statement reciprocating an appeal for better understanding by the Japanese Foreign Minister, Mr Matsuoka, and welcoming the appointment of Mr Kawai as Japanese Minister to Australia. He spoke of striving for the maintenance of peaceful relationships in the Pacific, while recognising the dangers and opposing domination by force.[7] The current course of Australian policy as being applied in Tokyo, London and Washington was to try, if possible, to persuade Japan that her best interests lay in the solution of her problems by peaceful methods. It may have been consistent with that policy to demonstrate that Australia was strong, determined and ready, although that point might have been demonstrated more convincingly after the American attitude had been made clear. What the Curtin-Fadden-Beasley statements demonstrated was that Australia was worried and fearful—a piece of evidence that was not likely to do much either in dissuading or warning a potential aggressor.

While the joint statements by the party leaders had been occupying the headlines, the Government and its advisers had been continuing steadily in private the consideration of the problems of Far Eastern defence in consultation with the United Kingdom, New Zealand and the Netherlands. While passing through Batavia and Singapore on his way to London, the Prime Minister had agreed, after discussions with the Governor-General of the Netherlands East Indies and with the Commander-in-Chief in the Far East, Sir Robert Brooke-Popham, that Australia would participate in

[7] *Current Notes*, Vol 10, No. 2, pp. 44-49.



ANOTHER DOCTORS' DILEMMA.

Frith in Bulletin (*Sydney*), *19 Feb 1941*

While the Advisory War Council was expressing concern at the state of Australian morale, the cartoonist suggests that the patient was in rude health. The "doctors" from left to right: J. A. Beasley, John Curtin, W. M. Hughes, A. W. Fadden and P. C. Spender.

further staff conversations with British, Dutch and New Zealand representatives at Singapore starting on the 22nd February.[8] It was then that arrangements were made for Brooke-Popham to visit Australia, from 8th to 18th February. On 4th February, the War Cabinet approved of arrangements for the departure of the Australian delegation.

Throughout February close and technical attention was being given to the problems of security in the Far East. The chief immediate result of these discussions was a greater precision in defining the responsibility of the various interested governments. They also revealed more clearly the way in which the Governments were thinking about the problem and in particular the different shapes which the situation took when viewed from Europe by Britain and from the South-West Pacific by Australia.

Both Governments were agreed on the basic assumption that the possibility of a major expedition by Japan against Australia or New Zealand could be ruled out initially but, when they moved to the second proposition that the main defence must be found in the security of Singapore, points of difference between them emerged regarding certain aspects of the naval strategic plan. These differences primarily concerned the respective importance of the Indian Ocean and of the Tasman Sea but expanded into different conceptions regarding the Middle East and the Pacific—security guaranteed by Britain and security guaranteed by the United States.

Arising out of the exchange of views on the results of the Singapore conference of October 1940, the United Kingdom asked Australia and New Zealand, by telegram received in Canberra on 28th January 1941, to consider some modification of the proposals for the return of Australian and New Zealand cruisers to home waters in the event of a Japanese move southward. The Singapore conference report had left naval plans incomplete without showing specific dispositions of vessels to various areas, but it will be recalled that Churchill, in his message of December, had drawn a picture of the building up of a naval, military and air force in the Middle East and keeping it in a "fluid condition" either for war in the Middle East or for the reinforcing of Singapore. Sea communications in the Indian Ocean were vital for the building up of such a force, for its maintenance and for any eastward movement by it and were also vital for the transport of Australian and New Zealand supplies to the United Kingdom. The United Kingdom military advisers, after further work on the Singapore documents, now suggested that, in an emergency, the use of Australian and New Zealand naval forces should not be wholly "local" but might assist in the protection of Indian Ocean communications.

The Australian Chiefs of Staff, however, thought that the importance of the Tasman Sea had been overlooked. They argued that, under present conditions, the relief of Singapore depended essentially on United States naval assistance and therefore the Japanese must be prevented from gaining a foothold across the line of approach, Honolulu-Fiji-Darwin-Singapore. The South-West Pacific area must be considered as a whole, irrespective

[8] In the event New Zealand was represented by the Australian delegation. See page 329 below.



Sydney Morning Herald.

Beginning of a mission. The Prime Minister leaves Rose Bay Flying Base, Sydney, for London on 24th January 1941 in company with Mrs Menzies. Mr Fadden farewelled his colleague.



"Cripes, I wonder if the jockey was hurt!"

Lock in Bulletin *(Sydney), 12 Feb. 1941*

of station limits, and the strong argument for adequate naval and air forces and stronger defences in that area applied to the Tasman Sea. Furthermore, the war effort of Australia and New Zealand had its principal focus in that sea and if command were lost in the Tasman the transport or trade of both Dominions would cease or be reduced to a trickle. It was in fact an extension of the Indian Ocean route to Britain by way of the Cape. In a war with Japan the Tasman Sea area would be very open to attack and, in the absence of an adequate British cruiser force, a Japanese cruiser force in the Tasman could hold up Australian and New Zealand trade and shipping indefinitely outside the range of shore-based aircraft. It was considered that part of the main Japanese plan in any attack on Malaya or the Dutch East Indies would be to place a cruiser force in the Tasman, possibly backed up by a heavier unit or aircraft carrier. The Australian Chiefs of Staff, therefore, held to the Singapore conclusions and considered that on the return of the Australian and New Zealand naval forces their main dispositions should be in the Tasman Sea area, with regular allocation of cruisers for convoy escort, "at any rate until U.S.A. has shown her hand".[9]

The War Cabinet, in forwarding these arguments to the United Kingdom Government, expressed concern at the lack of precise information as to British naval strength in the South-West Pacific area and asked for a full statement on the forces available and any action proposed to augment them in the event of hostilities with Japan. They suggested further discussions of the subject at the further talks in Singapore which were then being arranged.[1]

As the result of decisions taken by the War Cabinet at the same meeting on 12th February, Fadden also communicated with Menzies, then in the Middle East, informing him of the Government's action and expressing its concern in regard to the position in the Far East and the lack of information regarding British intentions. As a partner in Empire affairs and having a brigade of troops in the "danger area", Fadden said, Australia should know in advance what hostile actions on the part of Japan were likely to be regarded as a *casus belli* and what moves would be countered by other means than war. He therefore suggested that Menzies should press for a "frank appreciation", together with an indication of the extent to which the United States or the Netherlands might cooperate. By another telegram, the High Commissioner in London was asked to make informal soundings regarding the extent to which Canadian forces might be used in the Pacific.

Consequent on decisions taken by the War Cabinet on the 12th, "in view of the seriousness of the general international situation", the Australian Chiefs of Staff prepared a long and comprehensive appreciation of the Far Eastern position and this was considered at a meeting on the 14th February at which Sir Robert Brooke-Popham was present. Brooke-

[9] War Cabinet Agendum 61/1941, 11 Feb 1941.
[1] War Cabinet Minute 796, 12 Feb.

Popham had given "advice and assistance" in the preparation of the appreciation by the Chiefs of Staff.

Earlier in the day, members of the Advisory War Council had held a meeting with Brooke-Popham present and had been shown copies of the Chiefs of Staff's appreciation. A procedure at that time unusual was followed and the Council recommended the proposals by the Chiefs of Staff for adoption by the Government.

The appreciation assumed that an attack on Australia, if it came at all, would come after an attack on Malaya; the retention of Singapore was vital because the main requirement for security in the Far East was a capital ship fleet; there must be the "closest coordination and assistance" to ensure the security of the Netherlands East Indies, as it vitally affected the security of both Singapore and Australia; and while the sea routes in the Indian and Pacific Oceans were of vital importance for the maintenance of trade and the continuance of the war effort in the Middle East and the United Kingdom, the security of the South-Western Pacific area was essential for the safe passage to and operation of an American fleet in the East Indies area in the event of American participation. In the absence of either a British or an American fleet with capital ships the defence of territory must depend primarily on the local forces in each area. While the defence of the whole area, including Malaya, Netherlands Indies, Australia and New Zealand, was one strategic problem, the responsibility of each government for the defence of its own interests and of common interests should be clearly defined as well as a scheme by which forces drawn from the whole strategic area could be rapidly concentrated at any threatened point. The Australian and New Zealand area of responsibility should include Timor, the Mandated Territory of New Guinea and Nauru. It was considered that the complete plan for the disposition of the naval forces in the Far East should be discussed, the total Australian and New Zealand naval forces still being regarded as the minimum in Australian and New Zealand waters. The provision of garrisons within the Australia area would involve new commitments and, having in view the limits of the capacity to equip troops, these commitments should have priority over any others in the Far East. The 8th Division should be retained for use in the Australian area and the Far East and the present arrangement for it to proceed to the Middle East to join the Australian Corps should be cancelled. The Australian Government, like other governments in their respective areas, should use its available air forces and establish ground facilities in its area in the way best calculated to prevent or deter the Japanese from establishing naval and air bases within striking distance of vital Allied interests and, by using advanced operational bases, should assist in achieving the common aim of concentrating air forces rapidly at any point from the collective resources of all areas. Information should be sought regarding the need for supplies of food, munitions and other necessities to Malaya from Australia after the outbreak of hostilities, and liaison officers from each of the services should be appointed for duty in the Netherlands East Indies. In approving of the Chiefs of Staff's recom-

mendations on 14th February, the War Cabinet in effect accepted those responsibilities for itself within the defined area and made it the object of the Australian delegation to Singapore to have similar obligations accepted by the governments responsible for other areas. The decision also meant a modification of the previous plans regarding the use of the A.I.F.

In the course of the meeting the War Cabinet had heard from Brooke-Popham that his most immediate need at Singapore was munitions and more aircraft. He was not pressing for the rest of the 8th Division to be despatched to Singapore, but, if the Australian Government should agree to make it available, he would welcome it, for with such an augmenting of his force, he would spread his defences to British Borneo—a move which he thought most desirable.

Sir Robert, in response to questions, also disclosed some of his ideas regarding Singapore. His plans were based on the assumption that Singapore could defend itself for six months until capital ships could arrive to relieve it. Plans for its defence provided for control of the Straits to be maintained but there were no fixed defences on the north side of Singapore. Even if Johore were taken this would not prevent the island itself from holding out. If the Japanese proposed to attack Singapore they would act in the first instance by a process of infiltration from Thailand and then gradually move down the Kra Isthmus toward Singapore before declaring war. The defence plan provided for troops to be established as far north as possible to hold the whole Malayan Peninsula. It would be of great assistance to him in providing for the defence of Singapore, if a clear policy could be defined in regard to the actions on the part of Japan that would be regarded as a *casus belli* and he hoped that the line could be drawn at the penetration of southern Thailand.

That was the picture of the defence of Singapore, key to Far Eastern security, presented to the Australian War Cabinet nearly twelve months before the attack on Singapore. At the same meeting their own Chief of the Naval Staff said that a battle squadron was the minimum necessary at Singapore, but he did not consider it possible, with British commitments elsewhere, to provide for this unless America joined in the war. Brooke-Popham repeated Churchill's assurance and the direction given to him to hold Singapore until capital ships could be sent.[2]

As arranged, the British, Dutch and Australian service representatives met at Singapore in the last week of February, the Australians also speaking on behalf of New Zealand, and drew up an agreement, without commitment to their governments, for mutual reinforcements in the event of aggression. The Dutch were to provide submarines for operations in the South China Sea, and one fighter squadron and three bomber squadrons to reinforce Malaya. Four bomber squadrons, it was estimated, would be available from Malaya to reinforce the Netherlands Indies. Australia would provide troops and an air striking force at Darwin to reinforce Ambon and Koepang if required. The conference also reached agreement on the

[2] War Cabinet Minute 802 of 14 Feb and Agendum 64/1941 of 13 Feb.

particular actions by Japan which would necessitate the naval and military authorities concerned advising their respective governments to take active military counteraction. A suggestion for the prior definition of an act of aggression and automatic measures by the Commanders-in-Chief on the spot was put forward but was not approved by the United Kingdom Chiefs of Staff when the conference report was referred to them.[3]

In this connection the military advisers had reached the opinion that Japan was determined to gain control over Indo-China and Thailand in preparation for further moves. If Japan moved in strength into southern Thailand this would be the disclosure of an intention to attack Malaya and such a move should be regarded as a *casus belli.*

The fact that Thailand had such military value to Japan also stimulated the idea that something should be attempted, by diplomatic methods and possibly by a guarantee of support, to preserve the integrity of Thailand and to stiffen the Thais in resistance to Japanese pressure. The consideration of the military side of the defence of Allied interests in the Far East was surrounded with reports regarding the diplomatic possibilities, although it would appear that in the Australian War Cabinet the military appreciation was more clearly in the minds of ministers than the diplomatic. It is true that on 12th February a memorandum was sent up to War Cabinet from the Department of External Affairs but it gave scant value to the possibilities of effective diplomatic measures and in any case seems to have taken a minor place in War Cabinet's deliberations.

Diplomatic interest centred at that moment on the acceptance by Thailand of Japanese mediation in the frontier dispute between Thailand and French Indo-China. In part, this had been the result of the diplomatic ineptness of those who might have been expected to prefer that Japan and Thailand should be kept apart. The United States of America, which took a high-souled view that Thailand was the aggressor, had been unwilling to come in as mediator and Vichy France had been stiff and uncompromising. They had both upheld the sanctity of the principle of a return to the status quo before negotiation but they had also pushed Thailand closer to Japan. In a despatch dated 1st February, which was repeated to Australia, the British Minister in Bangkok, Sir Josiah Crosby,[4] bemoaned that for six months Britain had been fighting a lone battle in Thailand, hampered rather than aided by those who should have cooperated with her.

The acceptance of Japanese mediation was followed by the designation of a Thai mission to proceed to Tokyo. Fears were current that the Japanese might use the occasion to obtain a military pact with Thailand or an agreement for the occupation of naval and air bases and other facilities in Thai territory.

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[3] R. Brooke-Popham, "Operations in the Far East from 17th October 1940 to 27th December 1941", Supplement to *London Gazette,* 20 Jan 1948. Para 44.

[4] Sir Josiah Crosby, KCMG, KBE, CIE. Brit. Minister in Siam 1934-41. Of London; b. Falmouth, Eng, 25 May 1880.

Latham, reporting to Canberra on 4th February, said that, believing that the line should be drawn in Thailand, the British Commonwealth should do what it could to strengthen its forces near the Thai border, warn the Thai Government against giving footholds to Japan and encourage them to resist both by offering them "all aid in our power" and by disabusing them of the idea that they would escape subjection by yielding to Japan. Having decided what it would do the British Commonwealth should inform the United States Government fully of what it was doing and hope that the United States would stand by them in case of Japanese attack. Menzies, in a cablegram from Cairo on 14th February, based on his observations in Batavia, Singapore and Bangkok *en route,* expressed the belief that if Japan were told exactly where the chalk line was drawn she would hesitate to engage in a venture in which her navy might be defeated. The key to the situation was a strong attitude by the United States but he also asked War Cabinet to consider whether, in order to help stiffen the Thais against Japanese pressure, Latham might be accredited to Thailand and go to Bangkok to use whatever influence he could.

At the time Menzies was probably unaware of the results of an interview in Washington between President Roosevelt and the British Ambassador, Lord Halifax, on 8th February. Telegrams from the Australian Legation, Washington, dated 12th February (received in Canberra on 13th February) and from the Dominions Office dated 14th February (received in Canberra on 15th February) reported that Roosevelt, while leaving it doubtful whether the United States would come into the war if Japan attacked only Dutch or British possessions, also said that, even if the United States were to be involved in the war with Japan, he felt that to fight an active war in the Pacific would mean a dangerous diversion of forces and material from the main theatre of operations which, in his view, was the Atlantic and Britain. Therefore, should the United States become involved in war, he thought they would have to fight a "holding war" in the Pacific.

The War Cabinet, on 18th February, decided only to direct the attention of Menzies to these reports from Washington and expressed the opinion that it would be inadvisable to accredit Latham to Thailand so that he might help to exert his influence diplomatically against surrender by Thailand to Japanese pressure. At a subsequent meeting further diplomatic information was simply "noted".[5]

A few days after his arrival in London, Menzies, who momentarily, as the result of travel among the troops and through the battlegrounds of Northern Africa, had been out of touch with all that had been passing in Tokyo, Singapore, Bangkok and Australia, made the statement about the hope of peace with Japan which so much annoyed the Advisory War Council because they thought it undermined their statements about pressing danger. In the subsequent weeks, Menzies without objection from, even if not with positive endorsement from the War Cabinet, continued to try

[5] War Cabinet Minute 832, 18 Feb 1941 and 846, 27 Feb and War Cabinet Agendum 77/1941.

in London to shift the foundation of diplomatic measures from an assumption that war with Japan was inevitable to a hope that, with firmness, Japan might still be persuaded that continued aggression would end in disaster.[6]

There was one big limitation to what Australia was trying to do. Whether one still placed hope in diplomatic measures or whether one wanted only to define a *casus belli* in order to make effective military preparations, nothing could be achieved without the United States of America. Australian external policy during this period cannot be understood without appreciating the fact, acutely realised by the Australian Government at the time, of Australian weakness unaided in the Pacific. It would be easy to criticise from one aspect or the other particular acts of Australian foreign policy. In the case of China, as has been seen, the Australian Government had been at times less conscious of the rights of China than of the risk of offending Japan but when, in November 1940, the United Kingdom represented the financial and military straits of Chungking, the Australian Government replied emphasising the importance of assisting China, because of the danger to Australia if China should abandon the struggle, and urged the need for representations to the United States to obtain such assistance.[7] In the case of Thailand, the Australian War Cabinet was unwilling that Australia should take even the mildest measures and one of the most influential reasons was the dwindling of hope, following reports of the Roosevelt-Halifax conversation of the 8th February 1941, that effective support from the United States in the Pacific could be expected.[8] The prospects of effective action rested on the United States, because the nations of the British Commonwealth, being heavily engaged in a fight against Germany, were weak in the Pacific. Thus for diplomatic measures or military preparations the key was in Washington.

[6] See Chapter 8. p. 348, et seq below.

[7] War Cabinet Minute 650, 20 Nov 1940.

[8] War Cabinet Minute 770, 12 Feb 1941 and Agendum 71/1941.

CHAPTER 8

THE GREEK CAMPAIGN AND AFTER, MARCH-JULY 1941

1—THE FIGHTING IN GREECE AND CRETE

IMMEDIATELY after the fall of Benghazi on 7th February the Commander-in-Chief in the Middle East, General Wavell, was directed that no operations were to be undertaken beyond the frontier of Cyrenaica, which should be held with the minimum possible force necessary to secure the flank of the Allied base in Egypt, and that it was essential to be able to send the largest possible army and air forces to assist the Greeks against a German attack through Bulgaria.[1] He was also warned that the British Foreign Secretary, Mr Eden, and the Chief of the General Staff, Field Marshal Sir John Dill,[2] were setting out by air for Cairo on 12th February to discuss policy and strategy in the Middle East. In fact, they did not arrive until a week later and on the evening of the 22nd they held a conference with the Greeks in Athens, Wavell and the Air Officer Commanding-in-Chief, Middle East, Sir Arthur Longmore,[3] being present. That conference, which was followed by further conversations on subsequent days, virtually decided what had been implicit since November: that Britain would give military aid to the Greeks in Greece.

On 1st March the Germans entered Bulgaria. The despatch of a British force to Greece began on 5th March and, under a programme which it was estimated would be completed by 11th May, three divisions, an armoured brigade and an independent brigade group were to take part in the operation. Two of the three divisions were to be Australian and the third the New Zealand division.

Australian and New Zealand troops were allotted the major role in Greece because they were the only divisions available. The Middle East Command had at its disposal in the Western Desert, Egypt and Palestine at that time, three Australian divisions (the 6th, 7th and 9th); the New Zealand division; the British 7th Armoured Division, which, to quote Wavell, had been fighting continuously for eight months and was mechanically incapable of further action; the British 2nd Armoured Division, two regiments of which shared the mechanical exhaustion of the 7th, while two of its cruiser regiments which had recently arrived from the United Kingdom were also in an "alarming" mechanical state; and a Polish brigade group. In Eritrea two Indian divisions were engaged in front of Keren; and in East Africa there were a South African division, which had been

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[1] For an account of the situation in which the British Government decided to give aid to Greece see G. Long, *To Benghazi*.

[2] Field Marshal Sir John Dill, GCB, CMG, DSO. GOC I Corps 1939-40; Vice CIGS 1940; CIGS 1940-41; Governor of Bombay 1941-42; Head of Brit. Representation on Combined Chs. of Staff. B. 25 Dec 1881. Died 4 Nov 1944.

[3] Air Chief Marshal Sir Arthur Longmore, GCB, DSO. Comdt Imp Def Coll 1936-38; AOC-in-C RAF in ME 1940-41; I.G. RAF 1941. B. St. Leonards. NSW, 8 Oct 1885.

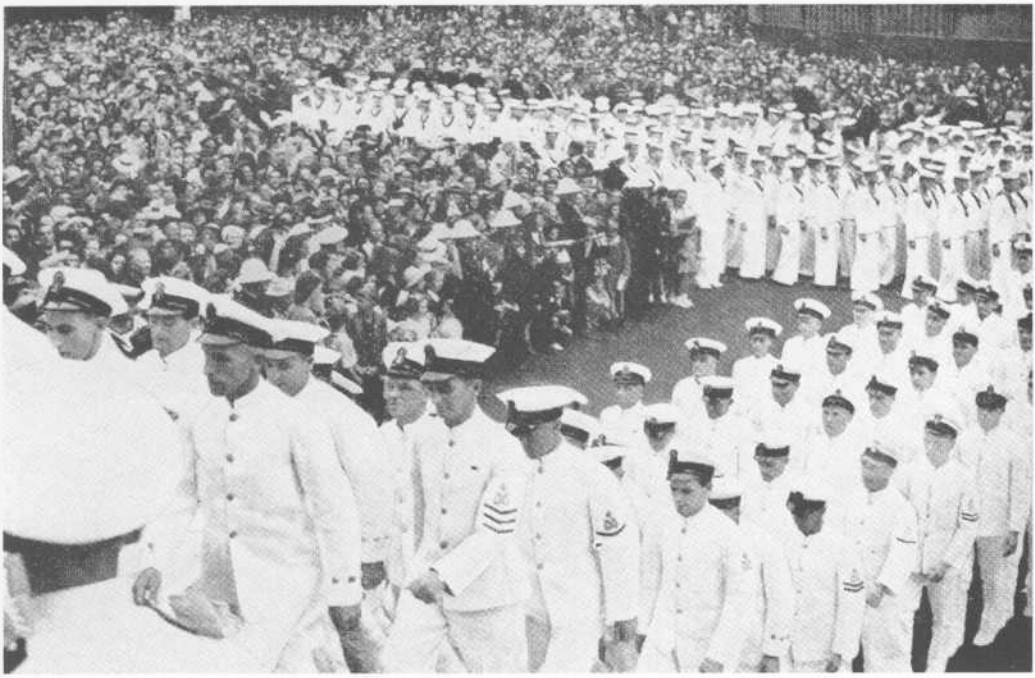
provided by South Africa for operations in East Africa only, and two African divisions which were not considered suitable in personnel, training and equipment for operations in Europe.

It was obvious and must have been obvious for many months that, short of reinforcement from the United Kingdom, any commitments in the Middle East in addition to the holding of Egypt and Palestine must fall on the Australians and New Zealanders. In Australia there had not been any precise allocation of Australian troops to any particular operation. Among the possibilities seen by the Government when the first convoys moved to the Middle East, before the fall of France, was that they might proceed from Egypt into Europe, probably through Marseilles, but when, in September 1940, the final decisions had been made to concentrate the A.I.F. divisions in the Middle East, the War Cabinet clearly had in mind that their role would be the holding of Egypt and Palestine. There was no discussion at the Cabinet level and no decision made by the Australian Government before the 6th Division went into action in the Western Desert. Nor did the Government think consultation necessary on such a move.[4] These were military matters and were governed by the terms of the charter to General Blamey setting out the conditions under which the second A.I.F. was offered for service abroad. The charter said that the A.I.F. was to be under the operational control of the Commander-in-Chief in the theatre in which it was serving. That meant Wavell. But the G.O.C., A.I.F., Blamey, had a direct responsibility to the Commonwealth Government, with the right to communicate with that Government. No part of the force could be detached or employed apart from the main force without his consent. Moreover, "questions of policy" regarding the employment of the force were to be decided by the United Kingdom and Commonwealth Governments in consultation, except that, in an emergency, Blamey might at his discretion take a decision on such a question, informing the Government of what he was doing.

The projected operation in Greece was clearly different from the action in the Western Desert, for it involved the opening of a new front, the accepting of new military commitments, and new calculations of what would happen in the event of either its success or failure. Hence it might rightly be regarded as raising a question of policy regarding the employment of the Australian force and, as time permitted, the decision ought to have been made after consultation between the two Governments. Furthermore, over and above the question of policy regarding the employment of troops, there was also a major question of policy relating to the higher direction of the war and a major question of foreign relations on which the Australian Government, both as an active participant directly concerned in that particular phase of the war, and as a member of the British Commonwealth of Nations, might have expected to be consulted, too.

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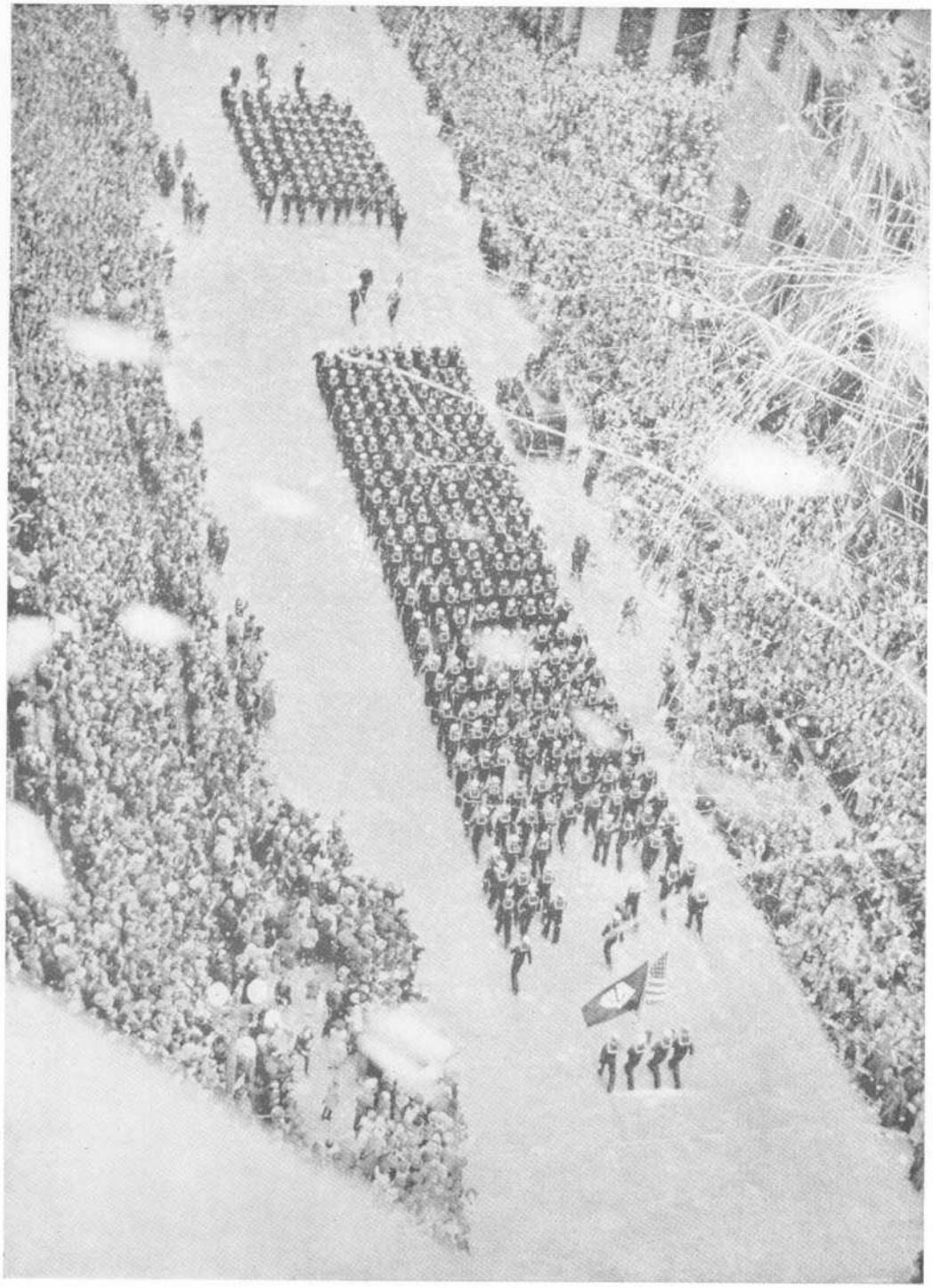
[4] See statement by the Prime Minister in *Commonwealth Debates*, Vol 165, p. 677.





Daily Telegraph (Sydney)

In the tradition of a great name. For the first time since her exploits in the Mediterranean H.M.A.S. *Sydney* returned on 10th February 1941. The men marched to luncheon in the Town Hall, Sydney, and a plaque commemorating the victory over the *Bartolomeo Colleoni* was presented by the city and placed on the gun turret of her quarter deck.



Sun (Sydney)

An American naval squadron under Rear-Admiral John H. Newton, consisting of two cruisers (*Chicago* and *Portland*) and five destroyers (*Cassin, Clark, Conyngham, Downes* and *Reid*) visited Sydney on 20th and Brisbane on 25th March 1941. The Americans in Martin Place, Sydney.

On these major questions there does not appear to have been any consultation. The policy towards Greece and the conduct of the war against Germany in south-eastern Europe were decided wholly in London and were brought to such a stage that, without a breach of obligations by Britain, the decision on the question of policy regarding the employment of troops was foregone. Yet it was only the question of the employment of troops which was referred to Australia.

Although there was apparently no direct consultation on the prior questions, however, the Australian Government cannot shift the responsibility for the decision by saying that they were not asked for their views. Information available from London, both from the Dominions Office and from Australian representatives, should have enabled the Government to follow what was happening in south-eastern Europe. The possibility was before them in concrete form in November 1940 when they agreed that an Australian brigade might be sent to Crete, although, in the event, the arrangement was not completed.[5] Indeed, the Governor-General's speech to Parliament of 20th November 1940 had set out the position precisely. "Germany's intention in relation to Greece, Bulgaria and Turkey, however, remain undefined, and consequently the problem of the defence of the Middle East is one which must continue to engage the attention, not only of His Majesty's Government in the United Kingdom, but also of Australia, which has large forces in Egypt and Palestine."[6] A ministerial statement on international affairs delivered to the House a week later gave particular attention to the Balkan situation and Greek successes against Italy and the possibility of maintaining and increasing Allied assistance to Greece.[7] Yet no question regarding policy in the Balkans was ever brought before the War Cabinet, nor does any minister appear to have acted in the matter until, after Eden and Dill had completed their conversations in the Middle East, cablegrams were received from London. One of the incidental disadvantages caused by the Far Eastern scare raised by Curtin in February was that it dominated the whole of the consideration given to the conduct of the war by the War Cabinet and Advisory War Council throughout the greater part of that fateful month when the future of operations in the Middle East was being decided. Yet, if there had been any reflection on the course of the war, free from urgent distractions, it must have been obvious from the information available in Canberra and Melbourne that the question of further assistance to Greece must arise, and that, if assistance were given, Australia would have to give most of it.

The climax came at a time unfavourable to reflection. Menzies left Australia on 24th January, halted for consultations in Batavia and Singapore, reached Palestine on 2nd February and Cairo on 5th February. During his twelve days in the Middle East he spent most of his time visiting Australian troops from Gaza in Palestine to the newly-captured Benghazi in Libya. He missed seeing Dill and Eden. He had heard something of the

[5] See G. Long, *To Benghazi*, Ch. 5, in the army series.

[6] *Commonwealth Debates*, Vol 165, p. 6.

[7] *Commonwealth Debates*, Vol 165, p. 254.

plan to help Greece from Wavell before his departure from Egypt but apparently first gave close attention to its details after he reached London on 20th February.

The recent presence of the Prime Minister in the Middle East may have influenced Blamey to delay the discharge of his responsibility to communicate with the Australian Government on this question of policy regarding the employment of troops, a matter on which his charter made his duty clear. On his own showing, the plan was outlined to him by Wavell on 18th February, but his first communication to the Australian Government was not received in Melbourne until 8th March and simply asked permission to submit his views before the A.I.F. was committed. He must also have been aware of the general problem since November 1940.

In post-mortem discussions of this phase of events some months later, Menzies said that while he was in London he asked if Blamey had been consulted about the proposed campaign in Greece and he was informed that he had been consulted. There had been a delay in communicating Blamey's views to him but it was clear that Blamey had challenged the operation. Menzies added the frank opinion that "some pains had been taken to suppress the critical views of General Blamey".

Blamey's post-mortem account was that he was consulted for a very brief period by Wavell and also saw Dill. He strongly opposed the operation on military grounds and cabled his views to the Australian Government, but it was not his practice at that period to send advice immediately to the Government on any matter affecting the Australian forces.[8]

It would appear, however, that whatever views Blamey may have held or communicated had not yet been placed before Menzies when he discussed the question in London at a meeting of the British War Cabinet on 24th February, nor were they before the Australian War Cabinet when it discussed the matter on the 26th February and reached a decision regarding the use of Australian troops in Greece. The political character of that decision was recognised by the War Cabinet itself when, after discussion, it decided that it would not first obtain the views of the Australian Chiefs of Staff on the disposition of Australian forces.[9]

The Australian War Cabinet, at its meeting on 26th February, had before it a cablegram from the Dominions Office setting out the proposal for aid to Greece and requesting Australian concurrence, and a personal telegram from Menzies to Fadden setting out the various considerations and reaching the conclusion: "With some anxiety, my own recommendation to my colleagues is that we should concur".

The War Cabinet decided to concur in the despatch of the two Australian divisions to Greece. The major persuasions appear to have been, first, that there was an obligation to Greece and, as Fadden put it on another occasion, "the abandonment of Greece in the circumstances was unthinkable"; that a British abandonment of Greece would have a bad effect, particularly in the United States of America, and would lessen

[8] Advisory War Council Minute 564, 11 Nov 1941.
[9] War Cabinet Minute 838, 26 Feb 1941.

the hope of support against Germany; the formation of a Balkan front would have strategical advantages in making Germany fight at the end of long lines of communication, interrupting German trade, and would give the Allies a platform for bombing Italian and Rumanian oilfields; German moves made a decision urgent. The War Cabinet was also told that Dill and Wavell held the view that on military grounds the venture was not an unreasonable risk.

As the War Cabinet felt that it could do little else but concur in the employment of the 6th and 7th Divisions of the A.I.F. it applied itself to improving the conditions under which they were sent on this adventure. It asked that the fullest possible consideration be given, both before and after the despatch of the proposed force, to augmenting the force and to ensuring that under no circumstances were troops allotted to this task unless equipped on the maximum establishment scale. Consent to the employment of the A.I.F. was made conditional on plans having been completed beforehand to ensure that evacuation, if necessitated, could be successfully undertaken.[1]

In the British War Cabinet Menzies received assurances on all points. He reported to Australia on 1st March that the British advisers, having taken into account the forces at present available in the Middle East, the size of the Greek army and the plans for its employment, and the likely scale of German attack having regard to the difficulties of terrain, had advised "in favour of enterprise" and that this advice was given after Churchill had definitely instructed both Eden and Dill not to consider themselves bound to an enterprise in Greece if, in their hearts, they felt that it would be another Norway. With regard to reinforcements, Menzies reported that the British War Cabinet had in mind the despatch of a British division already in the Middle East to be followed possibly by another British division from the United Kingdom "if shipping is available", and in addition further forces would become available as soon as the situation in Italian East Africa had been cleared up. Firm assurances were given regarding equipment and provision of shipping for a withdrawal if such a course were forced on the Allies.

In other messages Australia was told by the United Kingdom that there would be fourteen to sixteen air squadrons in Greece with an ultimate increase to twenty squadrons, and this, too, was part of the conditions on which the decision was made allowing the two Australian divisions to go to Greece.

Three days later, on 4th March, Menzies informed Fadden that he had asked that the proposed action be re-examined by the Chiefs of Staff. Concern at the failure of a British raid on the Dodecanese and news of the strengthening of Germany's mechanised forces in North Africa had renewed his doubts about the possibility of the Greek adventure. The Australian War Cabinet shared the Prime Minister's concern, but left it to him to "evaluate the situation".[2] Once again Menzies sought assurances

[1] War Cabinet Minute 838, 26 Feb.

[2] War Cabinet Minute 900, 6th Mar

that there was a reasonable fighting chance and he received such assurances from Dill and Wavell, together with the information that Generals Blamey and Freyberg[3] were "agreeable" to the proposal—a statement which did not tally with the opinion expressed by Blamey, but, unfortunately for any effect it might have had, not conveyed by him to the Australian Government until several days later. Meanwhile, embarkation of British Commonwealth troops was proceeding.

The Advisory War Council was not consulted, but on 18th March, when effect was being given to the decision, they were informed in detail of what had taken place, Fadden stating that the Government accepted full responsibility for the decision. Curtin took the view that, as the decision had been given, it was not now a subject on which the Council should offer an opinion. If the policy of the Labour Party had been followed, Australians would not have been serving in the Middle East and would therefore not have been available to have been despatched to Greece. He appreciated the factors that influenced the Government but all the Council could do was to note the decision that had been made.[4]

A week later, however, the Council was less aloof. At their meeting on 25th March they had before them the report of the Anglo-Dutch-Australian Conference at Singapore in February under which increased responsibility in the Far East had fallen to Australia, and Curtin, urging the "paramount importance" of the defence of Australia and New Zealand and pointing to the limits on Australian manpower, urged that serious consideration should be given to the return of some, if not all, of the Australian troops in the Middle East. On the next item of business at the same meeting—the regular statement on international affairs—the non-Government members of the Council recommended that the War Cabinet should consider the despatch of a cablegram to Menzies suggesting that the time was opportune "to make a re-appreciation of the position of the despatch of British troops and particularly Australian troops to Greece". In view of the news that Yugoslavia had joined the Axis, they also urged that the possibilities of defending Greece should be re-examined before Australia was finally committed.[5] These opinions were considered by the War Cabinet on the following day and it was decided to inform Menzies of the Labour views, adding the War Cabinet's own view that, subject to any information which Menzies might have of a change in the outlook, support for Greece should be maintained. The War Cabinet's opinion was that the request for the return of troops from the Middle East was "completely unrealistic and should not be given effect".[6]

Hopes were momentarily buoyed when a *coup d'état* in Yugoslavia overthrew the government that had allied itself with the Axis and an

[3] Lt-Gen Lord Freyberg, VC, GCMG, KCB, KBE, DSO. GOC 2 NZEF, 1939-45; C-in-C Allied Forces in Crete 1941. Gov-Gen of New Zealand 1946-52. B. Richmond, Surrey, Eng, 21 Mar 1889.

[4] Advisory War Council Minute 228, 18 Mar.

[5] Advisory War Council Minutes 236 and 237, 25 Mar 1941.

[6] War Cabinet Minute 914, 26 Mar 1941.

optimistic telegram from Churchill to Fadden on 30th March revived the vain expectation that a Balkan front, with Turkey, might be formed mounting seventy divisions from the Adriatic to the Black Sea.

On 31st March the enemy counter-offensive in Cyrenaica began. Benghazi was evacuated, the British 2nd Armoured Division was broken up and a large part of it captured. The Australian 9th Division, which had been moved up to the Western Desert to complete training, and had been brought into action by swift enemy moves, was forced back on Tobruk.

On 6th April the German attack on Greece began, while the 6th Division was still arriving and before the 7th had embarked.[7] Before the end of the month the campaign was over. Of the total of 57,660 British, New Zealand, Polish and Australians sent to Greece, about 15,000 were killed or captured and all guns, transport and heavy equipment were lost. In the last ten days of May, Crete, where many of the survivors of the Greek campaign had been grouped, was overwhelmed and 13,000 more British, New Zealanders and Australians were killed or taken prisoner, about 14,500 of the force being evacuated.[8]

A revolt in Iraq, reports that Germans were beginning to infiltrate into Syria and the fact that German aircraft on their way to help the Iraqi rebels had used Syrian airfields, made it necessary to despatch reinforcements from Palestine to the Euphrates. It was also probable that before long the Allies might have to undertake a fresh campaign in Syria. These increasing dangers, combined with the Allied reverses and loss of men and material, made the Middle East situation one of great anxiety.

At the beginning of February there had been news of victory, at the end of May news of defeat. At the beginning of February a prospect of building up strength in the whole of the Middle East; at the end of May a diminished force and signs of growing danger. Churchill's picture of the Middle East forces not only defending British and Allied interests in that region but affording a focus of Empire strength from which, as need arose, aid might be sent to the Far East was not even recognisable as a picture now, but the effect that reverses in the Middle East had in tearing away one of the assumptions on which Far Eastern security had been built in February was disregarded in concern with the danger in the Middle East itself.

The swift and disastrous outcome of the Greek and Cretan campaigns and the loss of over 6,000 Australian troops led naturally to some criticism

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[7] Immediately after the German successes at Benghazi there was some doubt early in April whether the 7th Division should go to Greece or should be diverted to Cyrenaica from Palestine. The 18th Brigade was in fact despatched to reinforce Tobruk, landing there on 7th April. A communique from Wavell, dated 4th April, reporting the movement of the 18th Brigade, added that he hoped to send the 7th Division to Greece but might be compelled to send it to Cyrenaica. The Australian Minister for the Army, Spender, at once expressed his concern to Blamey who, however, had already cabled to Australia in protest against any diversion saying that, unless they were built up to adequate strength with land and air forces the Imperial forces in Greece would shortly be in grave peril. Menzies, prompted by a message from Fadden, discussed the question in War Cabinet in London. On 12th April Blamey reported that Wavell had informed him that the 7th was not available for Greece. See also G. Long, *Greece, Crete and Syria,* in the army series.

[8] In Greece and Crete Australians killed, wounded, missing and prisoners of war totalled 6,727.

in Australia. In the Advisory War Council the search for a scapegoat first fastened on the trail of Menzies, but Fadden stated that at no time had the Prime Minister committed the Australian Government to any action without prior consultation with Australia and the responsibility was borne by the Government. He was also able to show that, both before and after the embarkation for Greece, the Australian Government had obtained assurances and made representations regarding reinforcements, air support and adequate equipment. The records of various Council meetings indicate a common opinion in the Council that the conditions on which Australian troops went into Greece were not realised; that the full strength it was intended to send there was not sent; and that, before the despatch of troops to Greece, there had been a gross miscalculation of the position in North Africa. The lack of air support, not only in Greece but in the whole of the Middle East, and the overwhelming superiority of German numbers were seen as the main causes of the defeat.

But if in the privacy of the War Council and in possession of the facts it was possible to sum up reasonably, in public there was less moderation and some irresponsibility in laying the blame for the failure, some critics attacking Britain and some attacking the Australian Government. So much so that Australian representatives overseas reported that the published utterances of critics were having an unfortunate effect. In the United States there was reported to be speculation whether Australia was about "to pull out of the war". Japanese newspapers carried such headlines as "British Empire Crumbling to Pieces", and the German radio made busy with stories of alarm, despair and disaffection. By arrangement, Fadden, Curtin, and Spender, as Minister for the Army, all made public statements to counter such impressions.[9]

What had been repeated overseas was not an accurate reflection of Australian comment. There was a section of the Sydney metropolitan press and later, when Parliament met, a section of Labour members who helped to create an impression of grave Australian dissatisfaction and an Australian opinion that their troops had been "sacrificed" by being put into action in a foolish adventure, without proper equipment, as the result of a purely British decision. On the other hand, after months of controversy, and after further events in the Middle East there were other newspapers ready to scold them roundly and declare that Australia thought otherwise:

> The pitifully low level of much of the criticism in the House of Representatives of the handling of the Greek and Cretan phases of the War in the Middle East is an insult at once to the intelligence and the spirit of Australia . . . . Yet the Middle East had to be held, and no self-respecting Australian would want to wait behind the lines for equipment superior to that of the enemy while others held the pass. When the real pinch came we could not desert the Greeks; we could not yield the Germans an easy victory imperilling our own outposts even with the odds against us. For the same reason, we could not tamely abandon Crete to the enemy as an advanced base while there was any prospect that we might successfully defend it. In the actual

[9] War Cabinet Minute 976, 28 Apr.

event these were valuable delaying actions which enabled us to consolidate in Iraq, prepare in time for action in Syria and strengthen the defence of Egypt.[1]

Yet before that summing up could be given there had been weeks of controversy. Some of it was angry, ill-considered and occasionally ill-intentioned. The authorities reported to the War Cabinet in June that recruiting was being painfully affected by a whispering campaign to the effect that Australia was being sacrificed to British interests. On balance, however, the weight of Australian opinion would appear to have been more moderate.

Generally, Australian commentators admitted the obligation, although such a responsible member of the Opposition as Chifley thought it a "somewhat quixotic notion of honour" to engage in the campaign.[2] Commentators also found value in it as a "delaying action" against the Germans. The more responsible criticism was directed against the lack of adequate Dominion participation in the higher councils of the war and against an Imperial war strategy that was "sporadic" and "belated" resulting in a series of sorties that could serve only temporary purposes and made each move merely in response to the initiative of the enemy.[3] The lessons they drew from the campaign were the need for adequate air and armoured support without which infantry, even though on the Government's showing and Blamey's testimony fully equipped as infantry, would be at a great disadvantage. The moral was also plain. A greater war effort was needed. More definite national leadership must direct the people what they should do. Letters to the editor, in all daily papers, express a similar demand for an "all-in" effort, echoing phrases which had gone out to them from the Government from radio and platform for a year past. Once again danger and a reversal of arms had roused the people in a way in which no exhortation had ever done.

2—THE SYRIAN CAMPAIGN

Close on the heels of the losses in Greece and Crete came the Syrian campaign and Australians at home were lifted in spirit by a successful feat of arms.[4] That success obscured the fact that the Syrian campaign was surrounded with some of the political circumstances that had been the occasion of protest and criticism in the case of Greece and Crete.

The sequence of events in the launching of the Syrian campaign may be summarised as follows. In April 1941 de Gaulle proposed to Churchill that the Free French forces should take military action against Syria, and, towards the end of the month, Dill asked Wavell what forces he had to assist the French inside Syria should they decide to resist the entry of Germans and break free from Vichy. There was considerable doubt, however, whether the French forces inside Syria would, in fact, resist.

At a conference in Cairo on 5th May with Wavell, the de Gaullist

[1] *The West Australian*, 4 Jul 1941.
[2] *Commonwealth Debates*, Vol 167, p. 114.
[3] *Age* (Melbourne), 5 Jun 1941.
[4] For details of the campaign see G. Long, *Greece, Crete and Syria*, in the army series.

general, Catroux, pressed the case for an invasion by Free French, and on 9th May Churchill emphasised to Wavell the necessity of forestalling the Germans. Wavell, with limited forces at his disposal, and his strength shaken by losses in Greece, advised the Chiefs of Staff in London that an attack by the Free French alone was bound to fail and that he himself did not wish to move into Syria until he could do so effectively.

Nevertheless, on the 20th he instructed General Wilson[5] to prepare plans for an advance and warned the 7th Australian Division to make ready to move from the Western Desert to Palestine. On the 25th he reported to the War Office that he was preparing to advance into Syria with the 7th Australian Division, the Free French and units of the 1st Cavalry Division and, after consideration of this report by the Defence Committee, Wavell was instructed on the 28th May that defeat in Crete must be accepted and Syria occupied before the German air force had recovered from its losses.

Thus, between 20th and 28th May, a decision was made to undertake a new campaign. The decision involved political as well as military considerations. The decision was made as the result of pressure in London and not of the decision of the Commanders-in-Chief, Middle East. The decision involved the use of a force predominantly Australian in a theatre in which the Australian Government had shown a special interest and in which it had accepted a special responsibility. Like the campaign in Greece, the projected operation would appear to have raised one of those questions of policy regarding the employment of forces for which consultation between the United Kingdom and the Australian Governments was required.

What part did the Australian Government play in reaching the decision?

Since the fall of France in June 1940, when the Australian Government was consulted over the preparation of a British declaration to the effect that Syria and Lebanon would not be allowed to fall under the occupation of any hostile power or to become a danger to those countries in the Middle East which Britain was pledged to defend, the Dominions Office had informed the Dominions from time to time of the situation in Syria. About the middle of May brief reports were sent of the passage of war materials through Syria to the rebels led by Rashid Ali in Iraq, the presence of seven German officers at Aleppo, the landing of a score of German aircraft, and the movement of Syrian volunteers to join Rashid Ali. On the 15th Bruce reported from London that instructions had been given to the Royal Air Force to bomb and machine-gun German aircraft on Syrian aerodromes, that Catroux had moved with Free French forces to the Syrian frontier, and that Allied forces in Palestine were being strengthened. On the 17th he expressed the opinion that the bombing of aerodromes would not stop "control of Syria by the Germans" unless it was followed up by land operations. He also reported that Catroux had made a broadcast

[5] Field Marshal Lord Wilson, GCB, GBE, DSO. GOC-in-C Egypt 1939, Brit Tps in Greece 1941. Allied Forces in Syria 1941, Persia-Iraq Cd 1942-43; Supreme Allied Cdr Medit Theatre 1944; Head of Brit Staff Mission in USA 1945-47. B. 5 Sep 1881.

appealing to the French in Syria to join the Allies and the effect of this was being awaited before a decision was made on land operations. Two days later he reported that the effect of Catroux's broadcast did not justify the optimism of the Free French that there would be a substantial reaction against Vichy rule by the French in Syria. The position was being reviewed by the Defence Committee. On the 20th the Dominions Office recapitulated the same reports and, after referring to the eagerness of Catroux to take action, expressed the opinion that his success was improbable unless his entry into Syria stimulated support from within the country or unless adequate support were forthcoming from British forces in the Middle East. It had been agreed that Catroux should move his troops to the Syrian frontier with a view to advancing into Syria if he considered the situation favourable, and the British commanders had been instructed to give Catroux "what assistance they can, particularly in respect of transport and air support". On the same day Bruce reported that, as a result of a review by the Defence Committee on the night of the 19th, an "urgent communication" had been sent to Wavell and his reply was awaited but the "strategical operations could not be cabled in more detail". Two days later, in reporting on difficulties with the Free French, Bruce indicated that Wavell was still examining the situation in the light of fresh information. On the 24th, only a day before Wavell reported that he was preparing to advance, Bruce cabled expressing his "grave concern" at recent developments in Syria. He discussed the various possibilities in the Middle East and expressed the opinion that "the paramount requirement in the Middle East at the moment is to prevent the Germans from establishing themselves in Syria", and it was necessary to weigh this against the importance of denying Crete to the enemy or staging an offensive in Cyrenaica. Urging a review of the whole position in the Middle East, Bruce said: "In this review, Australia should be fully and—having so many of her troops in the Middle East—specially consulted". He had done everything in his power to press for a review of the Middle East but, he feared, without much success and he therefore asked Menzies to consider the desirability of cabling Churchill direct. On the 27th he reported that he had no further information on Syria but he understood that the United Kingdom Defence Committee was considering a plan for the immediate entry of forces.

Menzies had returned to Australia on the 24th, and had been immediately engaged in other matters, but on the 29th—the day after Wavell had been instructed, apparently without the knowledge of the Australian Government, that Syria must be occupied—the War Cabinet considered Bruce's messages. On their decision Menzies cabled direct to Churchill on the 29th saying that Australia was "much exercised by the present position in the Middle East". Menzies asked, among other things, whether large and urgent reinforcements of fighter aircraft could be sent to the Middle East and whether an attempt at the occupation of Syria could be made by British forces. The War Cabinet also decided to ask Blamey for an

appreciation of the position in the Middle East with particular references to Syria and the defence of Crete and Cyprus.[6]

On the same night Bruce informed Menzies that a decision had been reached to go into Syria with British and Free French forces as soon as possible, and on 30th May Blamey informed the Government that the 7th Australian Division (less one brigade group) together with two cavalry brigades, one Indian infantry brigade and the Free French Division were to move against Syria. The extent to which resistance would be offered to an invasion was a matter of conjecture and the total Allied force available was "inadequate for the task should there be any serious degree of resistance on the part of the French". Should it prove unequal to the task the operation could be classed as a raid and troops withdrawn along the coast under cover of the navy. Adequate air protection could be provided. Churchill's reply to Menzies on 31st May was to the effect that Syria would be occupied at the earliest opportunity "with such forces as we can find".

In the following week, telegrams from Menzies to Churchill and Blamey showing concern at the delay in moving into Syria and expressing opinions in favour of prompt and decisive action, indicate that even if the Australian Government had not explicitly expressed its concurrence in the projected operation it was, at this stage, wholly in support of action being taken. Indeed there were signs of impatience. On 4th June War Cabinet explicitly agreed that prompt and decisive action was necessary to deal with "the German incursion into Syria" and to prevent Syria from becoming a base from which Egypt could be attacked.

The troops crossed the frontier into Syria on the night of 7th-8th June and on the 8th messages were received from both Blamey and Churchill conveying the news.

The campaign in Syria lasted six weeks. It was a campaign that was hard for those who fought it but stimulating for those who read about it at home—the story of an advance, simple enough to understand and studded with heroic incident. Because it was a success it was not accompanied nor followed by any criticism or recrimination but rather, because at the outset Australian troops formed the greater part of the invading force, it had an especially heartening effect as an Australian victory, achieved under an Australian general, Lavarack, and an example of Australian gallantry in the field. The recriminations of April were swamped in the rejoicing at victory in July.

3—THE HIGHER DIRECTION OF THE WAR

The decisions about Greece and Syria had been made without effective Australian participation. The lesson that had been read by Australia in the outbreak of war in 1914, over Chanak and Egypt in the nineteen-twenties, and at the Imperial Conference of 1937, were read again in a new book. In spite of all assurances, Australian soldiers could be com-

[6] War Cabinet Minute 1111.

mitted to action by other authorities than the Australian Government. There was admittedly some fault in the Australian Government for lack of alertness or assertiveness in matters of foreign policy in the months preceding the Greek and Syrian campaigns. In the moment of consultation, however, the Government had spoken plainly. In the British War Cabinet, Menzies had denied the right of a United Kingdom Minister to make a binding agreement on a matter so vitally affecting the Dominions. He had insisted, too, on a fuller examination and a re-examination of the Greek project and had obtained in the War Cabinet the assurances which the Australian Government required regarding the employment of its troops in Greece.

From these experiences one conclusion was clear. Consultation through an exchange of telegrams was not enough. To have an effective voice in decisions on the higher conduct of the war which directly affected Australia, the Dominions must be represented in the place where the decisions were made—in the War Cabinet itself, and must be more closely associated with the earlier and formative processes of policy making.

That conclusion was underlined in another incident about the same time —the transference of the United States Pacific Fleet to the Atlantic. The special Australian interest arose from the fact that the main deterrent to any further Japanese aggression was considered to be the presence of a strong American fleet in the Pacific. Owing to the weakness of Singapore and of British naval forces, the American Navy was thought to be the biggest single factor in the stability of the Pacific and the expectation of stability in the Pacific was the condition on which Australian contributions to the war against Germany were possible.

The transfer of part of the Pacific Fleet was of course a question wholly within the competence of the United States Government. The relative value of the American ships in the Atlantic or the Pacific at that particular stage of the war and the eventual effect the transfer had on the course of hostilities were questions, as the Australian War Cabinet itself concluded, "of nice judgment on very uncertain factors admitting a real difference of view as to what the result of the proposal may be". The concern, almost the consternation, of Australia was that, at a time when her armed strength was being expended overseas on the expectation—or even a gamble—of security in the Pacific, the main conditions could be changed in consultation with Britain but with only tardy reference to Australia. The circumstances of the consultation made it even more irritating. For two months the Prime Minister of Australia had been in London in constant touch with the British War Cabinet and the Chiefs of Staff talking of the war effort, representing the needs of the Pacific, stressing the importance of cooperation with the United States to maintain peace with Japan, discussing the further measures which Australia might take overseas, trying to balance the urgent needs for naval and air reinforcement in Malaya, Australia and the South Pacific with the urgent needs elsewhere, and holding back nothing in the discussion of common difficulties. No rumour or whisper reached him of the contemplated change. He learnt of

the proposal for the first time when the Dominions Office supplied him in a routine way with the duplicates of cablegrams it had sent out to Australia on the previous day. Menzies told the British War Cabinet pretty plainly that this was not good enough and, in doing so, found that some of the members of the Cabinet themselves did not know of the proposal.

The Dominions Office cablegram and one sent post-haste after it by Menzies were considered at an emergency meeting of the Australian War Cabinet held in Sydney on Sunday, 4th May. By the chance of travel the Prime Minister of New Zealand, Mr Fraser,[7] was in Sydney and was invited to be present. Simultaneously, the Defence Committee met in Melbourne.

There was little that War Cabinet could do but concur. They appreciated, too, the significance of the growing American activity and help which the proposal demonstrated. In their reply they urged as firmly as they could their view, first, that the minimum force that should be left in the Pacific was six capital ships and their organisation of cruisers and destroyers plus two aircraft carriers and, second, that with the transfer of United States ships to the Atlantic, consideration should immediately be given to the reinforcing of Singapore with British battleships.[8] The fact that there had been lack of consultation lasted longer in the minds of the Australian Government than the effect of the transfer which, once accepted, simply became a new factor in the war situation.

This incident marks the beginning for Australia of a new problem in the higher direction of a war involving the efforts of many Allies but leaving the major burdens on certain great powers. Beyond the problem of consultation within the British Commonwealth of Nations now emerged the problem of the direct representation of a Dominion's views to another great power such as the United States. Later, after the entry into the war of the Soviet Union and the United States, the question would be found to rest not solely on goodwill and respect for Dominion status in London but on the willingness of the principal Allies to admit any or all of the other Allies into the inner councils and to share in the higher direction of the war either in regard to strategy, politics or supply. Furthermore, in the case of Dominions, it had always been difficult for other governments, and the United States as much as any, to grasp the peculiar adjustments between autonomy and unity which were being attempted in the British Commonwealth or to realise that American suggestions to the British Commonwealth to "work it out" for themselves and let Britain give the answer did not pay full respect to Dominion sovereignty.

For the time being, however, while the nations of the British Commonwealth were standing alone with the exiles of occupied Europe, the immediate question was one of coordination and consultation with Britain.

The developments during the period between the two wars had led away from the creation of central machinery. Imperial conferences had become

[7] Rt Hon P. Fraser, CH. Prime Minister of NZ 1940-49; Min for Ext Affrs 1943-49. Of Wellington, NZ; b. Fearn, Ross-shire, Scotland, 28 Aug 1884. Died 12 Dec 1950.

[8] War Cabinet Minute 1026, 4 May 1941.

looser and looser gatherings for discussion and there was no practical prospect of an Imperial executive body responsible to all nor even of a regularly convened discussion group of Commonwealth ministers reporting back to their respective governments. By the necessities of war and by reason of her place in the world and her greater resources, both in material and organisation, Great Britain had naturally assumed the leadership, and the higher direction of the war was virtually centred in the British War Cabinet and the British Chiefs of Staff. Yet, for reasons of domestic politics, not all the Dominions were willing to make use of this fact, in the way in which Australia eventually did, by seeking the admission of their representatives to meetings of the British War Cabinet, with access to all its surrounding organisation.

There was also an accidental feature of the situation in the personality of the British Prime Minister. Churchill held in his own person those qualities of imagination, decisiveness and confidence which no machinery of government can have in full measure. By the necessity of war and by reason of the force of his character Churchill was running the war in the same sense in which at a later stage Churchill, Roosevelt and Stalin would run it.

To many Australians Churchill was a great European. Menzies, on his return to Australia, while extolling Churchill's great qualities, felt obliged to tell his colleagues both in the War Cabinet and the Advisory War Council, of his "unsatisfactory attitude of mind" towards questions in which Dominion interests were involved. Menzies considered that Churchill had no conception of the British Dominions as separate entities and, furthermore, the more distant the problem from the heart of the Empire the less he thought of it. But when some of the Labour members of the Council showed some inclination to belittle Churchill, Menzies, while recognising some of the dangers in Churchill's methods, said that if Churchill were driven from office he would despair with regard to the outcome of the war. Such a step would be a calamity. He added from his London experiences that, though Churchill was a strong individualist, he appreciated criticism if it was put up to him firmly and convincingly, and, though there was a reluctance on the part of United Kingdom Ministers to criticise Churchill, a Dominion Prime Minister could be bolder. Menzies strongly favoured the holding of an Imperial Conference as early as possible and the direct representation of Australia in the British War Cabinet.[9]

He also apparently envisaged that this form of liaison and closer consultation should extend to all phases of the war effort and should be accompanied by a system of attaching Australian officers to British departments. In March he had sent a cablegram to Fadden from London pointing out the way in which decisions of the Ministry of Economic Warfare in London might affect Australian interests and suggesting that "to give legitimate protection to those interests and at the same time produce maximum cooperation" Australia should attach an Australian representa-

[9] Advisory War Council Minute 402, 17 Jun.

tive to the Ministry "in a senior position and with direct access to the Minister". The Australian War Cabinet agreed with the suggestion,[1] but no action appears to have been taken.

In passing, two other minor tendencies may be noted. During discussion of the role of Churchill, Curtin expressed in the Advisory War Council his intention of sending a "strong cablegram" to the leader of the British Labour Party regarding the conduct of the war and expressing the Australian Labour Party's concern at the higher direction. In discussions on the Greek campaign, Evatt, who had newly joined the Council after the amalgamation of the two Labour parties,[2] argued, Curtin being absent, that certain of the conditions laid down by Australia in regard to equipment, air support and other matters had not been observed and at his prompting the Advisory War Council recommended that, in future, when Australia imposed conditions regarding the use of her troops in overseas duties, "machinery be introduced under which it would be possible for the Australian Government to be made fully aware before a commitment is entered into of any of such conditions which it was not found possible to implement".[3] This idea of a kind of inspection and certification of each other's action by members of the British Commonwealth, however, would appear to have reflected a far more formal and mechanical view of the relationship than was held by most Australians.

It was evident from Australian experience over Greece and Crete, reinforced by experience in Syria and by the impressions which the Prime Minister had formed during his visit to London, that exceptional steps would have to be taken by Australia to ensure that her voice in the conduct of the war was commensurate with the contribution she was making to the effort. That question was linked, too, with a growing concern in June, after the return of Menzies from abroad, over the nature of the Australian contribution. The war effort must be intensified. Before that could happen, however, Australian thinking had to become clearer on the form that the war effort should take and to what region it should be primarily directed. Should Australia give first place to fighting services or to production; to Middle East or Far East? Was her chief need to strike Germany or to deter Japan? Australians still did not see these matters with certainty.

4—THE RISKS IN THE PACIFIC

Both during and after the campaigns in Greece, Crete and Syria the employment of Australian troops in the Middle East was entangled in the general question of the security of Australia and the danger in the Far East. A balance still had to be found between the Australian contribution to the war effort overseas and the demands of Australian security. Around that issue swirled numerous other questions such as the relative needs of the fighting services and of war production, the immediate demands in

[1] War Cabinet Minute 1231 and Agendum 205/1941, 3 Jun 1941.

[2] See Chapter 9, p. 367, below.

[3] Advisory War Council Minute 287, 23 Apr 1941.

the Middle East and prospective dangers in the Far East, the Allied extremity in Europe and the Atlantic and the appalling weakness of the defences in Hong Kong and Malaya, the Netherlands East Indies, Australia, New Zealand and the South Pacific.

One of the main reasons for the Australian Prime Minister's visit to London had been to advance Australian views regarding the deficiencies which had been revealed in the defences of Malaya. He had been accompanied on his mission by defence advisers, including the Secretary of the Defence Department.

The Australian Government's view and the nature of the arguments they used in London can be most conveniently examined in a memorandum on "Strategical Questions and Objectives in Strength", dated 29th March 1941, which was presented by Menzies to the United Kingdom Chiefs of Staff. In selecting this paper for attention, however, it may be remarked that it was only part of the continuous attempts of the Government to influence Far Eastern strategy and policy towards Japan.

This memorandum and the supporting papers drew attention to the conclusions of the Singapore Conference of 1940 and sought information regarding the military forces, equipment and aircraft considered necessary for the defence of the Far East, the forces, equipment and aircraft which had been already provided and the date on which the remainder would be provided. Specifically Menzies raised the question of providing Hurricane fighter squadrons for Singapore and naval reinforcements east of Suez. At the same time he recounted measures being taken for Australian local defence and stressed the vital need for aircraft in the Commonwealth. He also urged the case for an adequate aircraft industry in Australia capable of producing machines for Australian needs and contributing to the needs of other Empire forces east of Suez.

In making his case Menzies pointed out that the cooperation of Australia in supplying naval, military and air forces overseas was entirely dependent on the sense of local security in the public mind and the Australian Government could not guarantee "a reassuring outlook in this direction" unless the strength of the forces for local defence were maintained. Moreover, the Commonwealth's war effort could not be sustained unless trade were maintained "at a level to enable it to be financed". A large part of the trade was seaborne and required naval and air protection, but the present strength of the R.A.A.F. was inadequate for this purpose.

After referring to the several conversations with the United States of America, and the Netherlands East Indies, and to the report of the Singapore Conference of February 1941, Menzies also drew attention to the problem of what would be regarded as an act of war by Japan and, associated with it, the question whether or not the collaboration of the United States could be assured. He asked whether it would be possible to reach an agreement on the drawing of a line beyond which Japanese aggression would not be tolerated, and of obtaining United States support for a declaration which might deter Japan from action.

Finally he asked for a review of the objectives in strength of the forces required in various theatres and urged the need for relating these demands to the sources of supply for various parts of the Empire and to a general strategical appreciation of the state of the war. He had previously pointed out in a conference with the War Office that Australia was approaching the position already reached in the United Kingdom in which the demands of the services, of munitions production and of civil needs, both essential and non-essential, had to be measured very precisely against the reservoir of manpower available.

The reply of the United Kingdom Chiefs of Staff to the Australian representations showed deficiencies even more alarming than those which had been revealed to Australia by the Singapore Conference. It was estimated that the regular military forces required for the defence of Malaya were 68,686, but on 31st March there would be only 47,078 troops in Malaya, the deficiency being mainly in anti-aircraft artillery some of which would be provided by October 1941. There were serious deficiencies in anti-aircraft and anti-tank guns, small arms ammunition and artillery ammunition. While it was estimated that 176 heavy and 100 light anti-aircraft guns were required only 56 and 50 were available. None of the 72 anti-aircraft guns considered necessary for the field forces had yet been provided. Of 587,200 rounds required for these guns only 178,133 were available. Only 175,800 rounds of ammunition for 2-inch and 3-inch mortars were available out of a requirement of 1,192,000 rounds; and only 44,071,000 rounds of .303-inch ammunition were held or in transit out of a requirement of 120,837,000 rounds. There were 38 anti-tank guns, while the estimated requirement was 182. It was stated by the Chiefs of Staff that no firm date could be given regarding the arrival of the equipment. Important items of equipment were allocated monthly in accordance with the strategical situation, and the requirements of Malaya were taken into account in relation to the requirements of other theatres of war. In regard to aircraft it was estimated that 336 aircraft would give "a very fair degree of security, even if it embraced part of reconnaissance forces in the Indian Ocean"; but it was unlikely that this programme would be completed by the end of 1941, although the present plan was to attempt to complete it by that date. On 31st March the British had 118 aircraft for "the close defence of Malaya and Burma" and two fighter squadrons of 32 aircraft were being formed. The Dutch had 162 aircraft. The British also had 170 fighters and the Dutch 245 aircraft on order from the United States.

The reply of the United Kingdom Chiefs of Staff continued as follows:

> The majority of the 450 shore-based aircraft which the Japanese can marshal against us are of obsolete types, and, as we have said, we have no reason to believe that Japanese standards are even comparable with those of the Italians. We have already drawn attention to our experiences, when heavily outnumbered during the Libyan campaign as well as at Malta and in the air defence of Great Britain. We fully realise that our air strength in the Far East is below that necessary for reasonable security in the absence of a Fleet, but we do not consider that in the

present situation we are running more risks there than elsewhere, though we are making every effort to restore the balance at the earliest possible moment.

Mr Menzies has asked whether it would be possible for Hurricanes to be made available for Malaya, owing to the reputation this type has achieved.

Apart from the necessity for standardisation of types to simplify maintenance and the supply of spares, the use of Hurricanes in the Far East is undesirable, as they could only be provided at the expense of the Middle East, where we are already extended in our efforts merely to replace wastage. The bottlenecks are not availability of aircraft, but packing, tropicalising and shipping capacity. It is therefore of the greatest importance for us to obtain all the aircraft we can for the Far East from the United States. The Buffalo appears to be eminently satisfactory and would probably prove more than a match for any Japanese aircraft.

The possibility of sending naval reinforcements to the Far East, the Chiefs of Staff said, could only be considered in the light of the situation at the time and depended on the strength and location of the German fleet, the success of the land and sea operations in the Eastern Mediterranean theatre, the capital ship strength and the likelihood of invasion of the United Kingdom. None of these factors could be forecast with accuracy, and it would be misleading to attempt to lay down possible strengths for the Far East and time-tables of proposed movements. They repeated the main tenet of Imperial strategy: "It is vital to avoid being weak everywhere". The most that could be said was to repeat again that at the start of the war with Japan a battle cruiser and a carrier would be sent to the Indian Ocean and the ability to do more would have to be judged entirely on the situation at the time.

As for the provision of aircraft for Australian local defence, the best that could be done for Menzies was to discuss the problem with him and to tell him about the difficulties and shortages of aircraft and the prospects of delivery. The best prospect that could be offered to him was that, provided British production suffered no unexpected setbacks—and at that time bombs were still falling on Britain nightly—the fifty-four Beaufighters required could be provided by March 1942, and Australia could be allocated one-third of the Brewster Bermudas when deliveries started from the United States about June 1941. Further, the United Kingdom would try to supply the total Australian requirement of 146 Hudsons by December 1941. It will be recalled that part of the Australian order had previously been diverted by Australia to the United Kingdom order.

The United Kingdom Chiefs of Staff left the question on American intervention and action to deter Japan to be dealt with separately as a matter of Government policy. Mr Menzies discussed this question with the British War Cabinet.

Australia strongly favoured the attempts to bring about a joint declaration by the United States, Britain and the Netherlands to the effect that an attack by Japan in the Netherlands East Indies or on British possessions in the Far East would be regarded as a *casus belli* by the three powers. In addition Menzies had some hope that, coupled with this firmness, a diplomatic way might yet be found to ensure peace with Japan.

In a review, after his return to Australia, of the efforts he had made Menzies stated that he had been amazed to discover in March that the British Foreign Office views were "utterly negative". He had urged "the need for a realistic approach by (a) a frank discussion with Japan of the facts of the position, (b) pointing out to Japan the effects which war with the British Empire and probably the United States would have upon her, and (c) abandoning an attitude of resignation to the inevitability of a conflict which the Foreign Office appeared to hold". He added that, contrary to the impression which had been created in some quarters in Australia, he did not advocate a policy of appeasement.[4]

During March hope in the possibility of a joint declaration with the United States revived in London,[5] but was not realised. The reasons lie in the United States and are outside the scope of the present volume. American domestic politics, differences of viewpoint among the services, the pressing claims of Europe and a State Department preference for other methods are among perceptible influences. In March a new Japanese Ambassador, Admiral Nomura, took up his post in Washington and in May the United States Secretary of State commenced with him a series of conversations which were carried on until July, exploring the possibility of a general settlement with Japan.[6] In these circumstances the United States Government doubted the wisdom of any further public declarations at that stage.

In the meantime the Australian Government had considered a proposal by the United Kingdom Government for a public declaration by them concerning the Netherlands East Indies, and agreed that a private assurance be given to the Netherlands Government that a line running from Singapore to Australia, via the Netherlands East Indies, must be treated as one unit and that an attack from outside on any point situated on that line must be considered and dealt with as an attack on the whole line and one which concerned all affected parties alike.[7]

There was, however, increasing closeness of purpose between American and Allied policy. The Lend-Lease Bill was approved in March and in a broadcast on the 15th the President spoke of "the end of compromise with tyranny" and promised aid until victory.

That speech was gratefully welcomed in Australia, Fadden tendering in Parliament "our profound thanks to President Roosevelt for the great gesture of friendship, and to the American people for the renewed strength which they have given us". On the day following his speech, by a coincidence, an American naval squadron was due at Sydney on a training cruise and Parliament adjourned for two sitting days to join in the official welcome and to express in person to the Americans "our cordial goodwill and warm appreciation of the strength and power which the United States of America

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[4] Advisory War Council Minute 346, 28 May 1941.

[5] War Cabinet Minute 915, 26 Mar 1941.

[6] See *Peace and War, United States Foreign Policy* 1931-41 (2 Edn 1943), pp. 120 et seq and Documents 208, 209 and 213.

[7] War Cabinet Minute 1137, 10 Jun 1941.

is giving to the democracies of the world". A large proportion of members hastened to Sydney to board the Show Boat with their wives early in the morning to go out to see the warships arrive.[8]

The Anglo-American agreement over Atlantic and Caribbean bases was also signed in March. On 11th April the President proclaimed the Red Sea and Gulf of Aden open to United States shipping so that American supplies might go direct to the Middle East in American vessels; in the same month the indefinite extension of United States patrols into the Atlantic was announced.

From January to March secret Anglo-American staff conversations had been held in Washington resulting in an agreement between the service staffs for Anglo-American cooperation short of war and for full cooperation when and if Axis aggression forced the United States into war. Australia knew of the talks and took part in consequential staff conversations in Singapore in April, but there is considerable doubt whether Australian ministers had sufficient information about the discussions to be fully aware at that time of all the implications. The American naval historian has stated that fundamental to this staff agreement was the American basic strategic conception of beating Hitler first, which had already been agreed upon in conversations between Admiral Stark,[9] General Marshall,[1] the Secretary of State, the Secretary for War, the Secretary for the Navy and President Roosevelt in November 1940. Associated with the agreement, and arising out of American rejection of the British view that Singapore was vital to the defence of the Malay barrier and that the American Pacific Fleet should help to defend it, was an understanding that in case of war with Japan Britain would send six capital ships to defend Singapore and that the United States Navy should assist the Royal Navy in the Atlantic.[2] For the time being, however, the Australian Government probably saw the fact of Anglo-American cooperation more clearly than it saw any limitations on the American naval role in the Pacific, although the unexpected transfer of the American battleships from the Pacific to the Atlantic in May gave a dramatic indication that security in the Far East was subject to the demands from active theatres of war.

During April, following the Anglo-American staff conversations in Washington, American representatives participated with British, Dutch, New Zealand and Australian representatives in a further conference at Singapore to prepare plans for conducting military operations in the Far East on the assumption that these powers were cooperating. This planning included—although no commitment was incurred—a reaffirmation of the conclusions of the February conference regarding the need for collective action and regarding the particular actions by Japan which would neces-

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[8] *Commonwealth Debates,* Vol 166, pp. 118-120 and 121.

[9] Admiral Harold R. Stark. U.S. Ch of Naval Opns 1939-42; Comd U.S. Naval Forces in Europe 1942-45. B. Wilkes-Barre, Pa., U.S.A., 12 Nov 1880.

[1] Gen of Army George C. Marshall. Ch of Staff U.S. Army 1939-45; Ambassador to China 1945-47; Sec of State 1947-49. B. Uniontown, Pa., U.S.A., 31 Dec 1880.

[2] S. E. Morison, *History of the United States Naval Operations in World War II,* Vol I, pp. 45-49. Vol III, pp. 49-58.

sitate advice to the respective governments to take counter-action. Details of areas of responsibility and mutual reinforcement were worked out. The report of the conference and the reception given to it in London and Washington, however, clearly reflected the point of view that the Atlantic and Europe were the decisive theatres of war, so that the forces employed in other theatres must be reduced to a minimum. The main strategy in the Far East for the time being must be defensive. In comments accompanying the report the British Commanders-in-Chief in the Far East and China spoke of the great importance to the defence of the Far East of offensive operations by the United States Pacific Fleet but the Chiefs of Staff in London when approving most of the report were not prepared to press for any strengthening of the Philippines at the expense of the United States effort in the Atlantic. The plans had not been approved in Washington before war came in the Pacific.[3]

Thus the efforts of the Australian Government and, in particular, of Mr Menzies in London, to strengthen the position in the Far East by both military and diplomatic measures during April and May were limited firstly by the worsening of the situation in the Middle East and Atlantic and secondly by the policy of the United States and the Anglo-American talks. Not only in the Far East but in respect of the war in general the course of United States policy was becoming more and more a determinant of Allied strategy. American Lend-Lease aid and a continuance of the friendly neutrality of the United States were vital to Allied survival in Europe. The hope that, if war began in the Pacific, the United States would engage in active hostilities against Japan became an overruling consideration in any measures taken in the Far East, for it was clear that, without American support, the utmost measures which the nations of the British Commonwealth might take would scarcely be sufficient to withstand Japan at the same time as a victorious Germany was pressing British Empire forces hard in the Middle East and was still threatening the British Isles.

Moreover, the Australian Government itself was willing to weigh the immediate peril from Germany against the prospective danger from Japan, and its attention was caught up, too, in the fate of the Australian forces in Libya, Greece, Crete and Syria, and of units of the Royal Australian Navy in the Mediterranean. The visit of the Japanese Foreign Minister, Matsuoka, to Berlin and Moscow and the announcement of the Soviet-Japanese Neutrality Pact in April were not given a very dark significance and the concern about the Far East in Australia in April was not so great as had been shown for less cause in February.

During May and June reports of American diplomatic activities were not very encouraging but there was an apparent feeling that, with other signs of American firmness, they might have a deterrent effect on Japan. The activities of the Japanese trade mission to the Netherlands East Indies

[3] R. Brooke-Popham, "Operations in the Far East from 17th October 1940 to 27th December 1941", Supplement to *London Gazette*, 20 Jan 1948. Para 34.
S. E. Morison, Vol III, p. 49.

in June were watched with some anxiety but the Netherlands appeared to be standing up against pressure while avoiding dangerous situations.

A statement on the international situation by the Minister for External Affairs in Parliament on 3rd April (when the Greek campaign was being prepared), a broadcast on the 28th April (when the Middle Eastern outlook had become doubly grave) and a broadcast on the 22nd July (after the invasion of Russia by Germany and the conclusion of the Syrian campaign, and on the very day when Japan was about to occupy southern Indo-China) all focused Australian public attention on the Battle of the Atlantic, operations in the Mediterranean and Middle East and the air attacks on Britain. The Prime Minister in his address to Parliament on 28th May after his return from overseas did the same.

In the broadcast of 28th April, Sir Frederick Stewart said:

> The outstanding feature of the situation, as we see it from Australia, is the battle that is being waged for control of the Mediterranean area . . . one great effort by the enemy by air, land and, where possible, by sea to overthrow our power in the Mediterranean region.

To lose control of the Mediterranean, he added, would impair the blockade of the Axis countries, leave oil accessible to the enemy, place a barrier across the middle of the Empire war effort and give the enemy an entrance to the Indian Ocean, bringing them a step nearer Australia. Later he said:

> The most immediate danger is the battle of the Mediterranean. The position there is grave, and we must remember that it is not only necessary to win this battle for the sake of the issues directly involved, but because of the effect on other phases of the war. If we let the enemy win in the Mediterranean, it will become very much harder for us to win the Battle of the Atlantic. If we should lose the Battle of the Atlantic, then in the Battle of Northern Europe, Britain will be at a serious disadvantage and an invasion of the British Isles would find the British people isolated from the Dominions and those other countries which wish to preserve the cause for which she is fighting.

In the broadcast of 22nd July he spoke mainly of the Russian front and support for a new ally against Germany. In all statements there were a few concluding paragraphs on the situation in the Pacific recognising danger, soberly hoping for peace and expressing firmness.[4]

Perhaps the clearest expression of the governmental view is given in the records of a meeting of the Advisory War Council on 26th June during a discussion of the German invasion of Russia. After a review of the military situation it was observed on all sides that the Russo-German conflict gave "a breathing space" in which to strengthen the position in the Middle East. Menzies said he proposed to cable to Churchill urging the importance of recognising the Middle East as a vital area and despatching there every aeroplane and armoured fighting vehicle that could be made available. He would also cable the G.O.C., A.I.F., asking to be kept informed of the position. Curtin accepted this proposal as sufficient "at

[4] *Current Notes*, Vol 10, Nos. 7 and 8; Vol. 11, No. 2.

present".[5] From earlier and subsequent references, however, it would appear that the non-Government members looked to the strengthening of the Middle East as a possible prelude to the withdrawal of Australians.

The period of the campaigns in Greece, Crete and Syria had been marked by a continuous conflict of opinion in the Advisory War Council between Government and Opposition members on certain aspects of security in the Pacific. While the Government, in pressing Australian claims, was also trying to fit those claims into the overall pattern of the British and Allied war effort, the Opposition was inclined to see the situation more simply in terms of the danger to the Australian continent. Labour had always had reservations regarding the burden of "overseas defence" (to quote a phrase used by Curtin) which Australia could fairly be expected to carry and they also expressed more acute fears about the imminence of danger in the Far East. The losses in Greece and the seriousness of the deficiencies in Malaya renewed their doubts whether the Middle East could or should be held and provided them with a case in point for use in their arguments about how the war should be conducted. While the Australian troops were moving into Greece and before the German offensive in Cyrenaica, Labour members of the Advisory War Council had asked that consideration be given to the return of some, if not all, of the Australian troops from the Middle East to Australia. Early in May, at the time when the evacuation of Greece had been completed and preparations were being made for the defence of Crete, Curtin raised again at a meeting of the Council the question whether it was worth while holding the Middle East. At a meeting of the Council on 8th May Curtin challenged a statement in the opening paragraph of the regular report on the international situation to the effect that everything must now be concentrated on the urgent necessity of defending Egypt. He disagreed with that view and suggested that the Allies should consider evacuating the Mediterranean before the British fleet was hemmed in there. His ministerial colleagues recalled the discussion the Council had had on the 23rd April in Curtin's absence and read to him a telegram received from Menzies in response to requests for further information. Curtin agreed that the defence of the United Kingdom was of paramount importance, but also stressed the requirements of Australian defence. He suggested that, from the point of view of Australian security, the defence of India was of greater importance than the defence of Egypt, and that consideration should be given to the effect that the transfer of Australian troops from Egypt to India would have on the defence problem. He suggested that the evacuation of the Mediterranean by the transfer of the Mediterranean Fleet to the Atlantic would bottle up the enemy fleet in the Mediterranean. Australia should then have a better prospect of a British fleet being based on Singapore, thus immediately relieving Australia and the Empire of the danger of Japanese entry into the war.

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[5] Advisory War Council Minute 404, 26 Jun.

Ministers demurred. What would be the effect of such a withdrawal on American opinion and the prospect of American intervention in the war? What would be the effect of this loss of prestige? One Minister, Hughes, disagreed with the assumptions on which it was based. "Our position in the Mediterranean is not hopeful," he said, "but it certainly is not desperate and must be resolutely faced."

Curtin changed ground a little. The argument about the effect on American opinion seemed to have appealed to him most, for he said that he would not advocate the withdrawal unless the United States came into the war, but that, should America come into the war, there must be a renewed strategical appreciation in which "retirement from the Mediterranean should not be overlooked".

In suggesting that the evacuation of the Middle East be considered as a means of strengthening the Far East, Curtin again revealed the way in which, in the face of an actual threat, he was coming round to accept the proposition that the navy was the first line of defence of Australia—a proposition which he and his party had been denying for twenty years. "British sea strength was still of vital importance," he is reported to have said, "and similarly sea strength was the only force on which Japan could rely if she entered the war. From this aspect it was clear that we should be in a position to counter at sea any action which Japan might take."

The concentration of the Labour members on the defence of Australia against Japan was further indicated by a suggestion by Evatt that "no further A.I.F. troops should be sent abroad, as every trained and equipped man in Australia was an additional protection against Japanese intervention", while Makin referred to the "tendency to commit Australia to greater obligations overseas than originally intended".[6]

Curtin's arguments were not replied to fully until after the return of Menzies to Australia. The Opposition Leader restated his thesis at a meeting on 5th June at which the Prime Minister had spoken particularly of the need for strengthening the air force in the Middle East and the plans for the garrisoning of Cyprus and for a vigorous campaign in Syria. Curtin referred to the danger that operations in the Mediterranean might drain Allied resources for the Battle of Britain, the Battle of the Atlantic and possible conflict in the Pacific. He asked whether it would not be better to "scrap the African empire", close the Suez Canal, and endeavour to hold Palestine. To this the Prime Minister replied that, as soon as the fleet left the Mediterranean, there would be nothing to prevent Germany putting any forces she wished into Egypt, going on to the Persian Gulf and eventually to India. Germany would also get into northern and north-west Africa and, by the occupation of such ports as Dakar, cause British shipping to be routed through the western and northern Atlantic, creating greater demands on tonnage and much more difficult naval problems for their protection. As the outcome of the Prime Minister's persuasion the Advisory War Council on that occasion endorsed the War

[6] Advisory War Council Minute 313, 8 May 1941.

Cabinet's opinion that it was imperative to provide immediate air support for the defence of the Middle East.[7]

A week later, at a meeting of the Council on 12th June, after Menzies had given the members considerable information about his work abroad, the overall war situation and the military position in the Middle East, Curtin renewed the old doubts. He took up a published statement by Churchill to the effect that Britain had to consider whether the defence of Great Britain should be further denuded for the sake of the war in the Middle East, and said that the same argument might be applied to Australia. He also found it "unthinkable" that 700 Australians (the 7th Australian Cavalry Regiment) at Cyprus should be offered as a sacrifice for a delaying action to the advance of the German Army. Further, the losing battle in the Middle East, involving the British fleet, would mean that fleet could not be based on Singapore. It appeared to him that Churchill was prepared to fight in the Mediterranean regardless of cost and to the prejudice of our capacity to defend sea communications in the Atlantic, Indian and Pacific Oceans. Would it not be better if we got out of the Mediterranean before a severe defeat was inflicted upon us? He could not regard as otherwise than unsound a strategy which looked on the Mediterranean "as a pivotal point of the Empire". In addition he interpreted world events and showed the situation as between Germany and the Soviet Union as having increased pressure on Japan to decide her course of action.

In reply to Curtin, Menzies repeated his arguments about what would happen if Egypt were evacuated and reminded the Council of the large forces and equipment which had been sent to the Middle East.

Curtin replied that the British action in the last three months had not lessened the growing ascendancy of the enemy in that region. There was a limit to what we could do and the area over which we could spread our forces.

The veteran Hughes joined the argument. We were better off today than we were twelve months ago. Stop thinking of the Germans as supermen, he said. The war was a matter of risks and if we feared to take them we would never be victorious.

Curtin stuck to his point that if Churchill could think of the defence of the British Isles first, it was logical for other regions to think of their own defence first.

Menzies answered that the emphasis was not on the defence of this or that area. Australia had a vital interest both in the United Kingdom and in Australia.

"We have a greater responsibility in respect of Australia," rejoined Beasley.

The discussion became sharper. Who was responsible for the failure to provide for the adequate defence of Crete? Men must have equipment to fight and if they could not be given equipment they should be withdrawn.

[7] War Cabinet Minutes 1111 and 1114.

Unless they had superiority in fighter aircraft our troops would be worsted. Those who held to the strategy of the defence of the Middle East should justify it by guaranteeing our troops against defeat. Churchill had not given an adequate answer to Australian representations.

Discussion ranged from failure in Greece and Crete, through the whole tangle of contrary views on strategy to the final point of danger in the Far East. Then it swung round to a particular question. Should Australia withdraw her troops from a post of danger in Cyprus?

Yes, said Mr Beasley, for he was not going to allow them to be "massacred".

Yes, said Mr Curtin, because "such drastic action would add weight to the previous representations of the Commonwealth". But later, when he had been made to appreciate that if Australian troops were withdrawn their place and the hazards would have to be taken by British troops, he agreed to let the question rest for a few days.

This debate in the Advisory War Council reflected a good deal of the public recrimination that was going on because of Crete. The non-Government members both shared this public criticism and also used it as an argument. Australian soldiers must be fully equipped and the Australian public must be satisfied that they were fully equipped or there would be "grave political consequences". Churchill must be made to realise that Australian overseas service would be governed by such factors.

Although the Prime Minister repeated the arguments on the importance of the Middle East and suggested that the War Council in Australia was not in a position to decide questions of strategy, Curtin still thought that "the defence of the Atlantic and Singapore were being hazarded in the Mediterranean", and said that he would "prefer to lose the Mediterranean with some salvage rather than none". In his view the United Kingdom, Australia, New Zealand and South Africa were more important than Egypt and if Egypt were evacuated he did not believe that India would necessarily be lost.

The report of the discussion bears some traces of agitation or even panic, similar to the discussion which preceded the issuing of the Fadden-Curtin statement on 13th February. But perhaps a partial explanation of some of the repetition and emphasis may be found in one sentence that strayed into the middle of the paraphrase of one of Curtin's longer speeches. "The object of his statements was to have the case against his arguments made as watertight as possible, and he wished to drive Mr Churchill to this position." This sentence would suggest that Curtin was insisting that the Government should prove that its policy was right and was not himself arguing with complete conviction that it was wrong.

A good deal of the debate was directed against Churchill, who was regarded by Opposition members as dominating the British War Cabinet and seeking to dominate the British Commonwealth. The eventual upshot of the long discussion was a recommendation to Menzies that he should ask Churchill to furnish a statement of the present and prospective air

strength in the Middle East and the present and prospective strength of tanks.[8]

Curtin publicly summed up his arguments in his speech on the foreign affairs debate on the 18th June as follows:

> I say with great respect to the Prime Minister of England if my words should ever reach him, that if a crucial battle is to be fought in the Middle East, Australia cannot afford that battle to go against it in circumstances that precluded the subsequent movement of the British Fleet into the Indian Ocean or the Atlantic Ocean; for if it were a "last ditch" battle, in which Alexandria was destroyed, and the fleet in the Middle East was, in substance, put out of action, such a state of affairs would involve almost immediately the uselessness of Singapore as a bastion for the defence of Australia; instead of being a bastion for Australia, it would become merely a service station for an enemy. Therefore, I can accept the dictum that the battle in the Middle East is of crucial importance to Great Britain and to Australia. But those who put forward that contention have to accept the logic of it. In no circumstances must they take such risks that an overwhelming defeat in the Middle East would involve synchronously the loss of Singapore and inability to salvage the Mediterranean Fleet into the Indian Ocean or the Atlantic Ocean. It must be clear that the major defeat we would suffer in that theatre, if we did not supply the maximum of air power, would present to our enemies opportunities of which we are convinced, on statements that have been made to us, and on our general consideration of the situation, full advantage would be taken. This most certainly involves consideration of the general problem of Australia; for, just as it is properly stated that, as things now stand, the Middle East and Singapore can be regarded as outer bastions of Australia, so must it be recognised in this country that no nation completely denudes its last line of defence, which is its own territory, in order to resist the enemy at an outpost. Both Chamberlain and Churchill have stated from time to time that battles may be lost, and defeat may be suffered, in different places, but so long as that does not happen at certain other focal points, we are still able to carry on. I agree with that, and accept it. But I say that the obligation of Australia is to remember that it and New Zealand have primarily, in the Pacific and Indian oceans, a responsibility which can be said to correspond to that which Great Britain and the United States of America have in the Atlantic Ocean. Whilst I agree that this country should make provision to ensure that all the places round about us are garrisoned and equipped, none the less there must be some understanding of what represents the balance as between what we can do in those theatres and what we are called upon to do in Australia.[9]

Eventually some of the more urgent worries of the Opposition about the position in the Middle East and Curtin's suggestions for a withdrawal had to be adjusted to a new situation when the German invasion of the Soviet Union on 22nd June and the demonstration of Russian strength and determination changed the course of the war in Europe and incidentally gave Japan greater freedom to move southward than she might have allowed herself on the strength of the Soviet-Japanese Neutrality Pact alone.

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[8] Advisory War Council Minute 373, 12 Jun 1941.

[9] *Commonwealth Debates*, Vol 167, p. 109.

CHAPTER 9

"AN UNLIMITED WAR EFFORT", JUNE-JULY 1941

1—THE PRIME MINISTER'S PROSPECTUS

A call for an unlimited war effort was made by Menzies in June after he had returned from his visit to Britain and America. He had arrived in Sydney on 24th May. He had been away for four months during which time he had passed over battlefields, met soldiers in the Western Desert, heard the bombs on London, seen devastation, courage, sacrifice, and endurance. He had talked with Churchill and with Roosevelt, with Cabinet Ministers, Chiefs of Staff, generals, admirals and organisers of the war effort. From the palace to the tenement, from Cabinet room to factory he had seen a nation at war. He had been at the heart of things and had seen both the dire need and also something of the organising of the total effort by which alone it could be met. The Australian Prime Minister was moved and deeply impressed. He had been impressed by the leadership of Churchill. "He is not only in himself the embodiment of the traditional spirit of Great Britain, but he has in him, in his spirit itself, a burning flame which will never admit defeat, and which can transfer itself to other men and women so that they are able to breathe freely once more, and again turn themselves vigorously into battle." He had been impressed by Roosevelt who "has not merely been an interpreter of what his people think, but has himself been a very great creator of public opinion and international spirit". He had been impressed by the importance of the workshop and factory. "We shall begin to win the war only when we have been able, all over the democratic world, to marshal every last ounce of skill and all the strength we have, industrially, for the production of machines which will outnumber and overpower those of our enemy." Most of all he had been impressed by "that supreme and immortal thing, the morale of the British people". He spoke often of the fortitude, endurance, cheerfulness and determination of the people of the English cities who, in spite of the toll of air raids, and the "grim, grimy and depressing" way of life that war had imposed on them, were exhibiting energy, enthusiasm and zeal, and more than these, the great quality of patience to endure. "Not only does one see these things, not only does one learn to admire this cool and undaunted temper of the British people, but one also, if he is an Australian, realises how little our life in this country has been altered by war compared with what has happened to the people of Britain."[1]

Menzies had not only been impressed but had also himself made an impression on others and he could not have been unaware of the fact. Few touring Australian ministers in Britain and certainly none during the whole period of the war, so favourably commended themselves for their statesmanlike qualities as Menzies did in his journey of 1941. Men

[1] Quotations from *Commonwealth Debates*, Vol 167, pp. 10-24.

of consequence openly talked of him as one whose great gifts should be claimed for even wider service. In his person, they said, Australia could give a statesman to the whole British Commonwealth. In the inner room his criticisms and counsel had been listened to with attention; in his public speeches and broadcasts he had found a receptive audience. For four months he had been (to quote the tag which air transport commands used during the war to expedite travel while concealing identity) a V.I.P., a very important personage.

He and his small staff[2] gathered the fruits of their work abroad into an imposing stack of memoranda and reports containing information and ideas on various phases of the war effort. The Prime Minister, however, carried home more than information. He brought back new inspiration and richer experience for the exercise of wartime leadership—a leadership which rested on a parliamentary majority of one Independent. On the day of his return a by-election was taking place in South Australia after a campaign in which Labour had made a strenuous bid to unseat the Government. The memory of the shifts and chances in the two years since he had succeeded to the Prime Ministership must have gnawed at inspiration and resolve as, unannounced because of wartime security measures, he neared the Australian coast.

So far as the press reflects public feeling, the Prime Minister was given a warm welcome home. Tribute was paid to his conspicuous service to Australia overseas and the hope expressed that he might give the leadership and bring the greater war effort which the country required. The newspapers recognised the continuing political difficulties and looked for some bold master stroke that would end them. Even before his return the *Age,* which favoured giving the powers of the War Cabinet to the Advisory War Council, said:

> Mr Menzies' return should be the signal for a brief, purposeful review of our political set-up for war and a fresh endeavour to repair any and every defect. Whether or not an all-parties Government prove practicable, the country is in no mood to tolerate political upsets.

It proceeded to make a very fair summary of the practical tasks to be tackled:

> Organisation of manpower, the type and scale of munitions production, the shipbuilding programme, taxation and financial policies, overseas trade and markets, the maintenance and reinforcement of the fighting services, present a complex of far-ranging issues that go to the roots of successful prosecution of the war.[3]

Other sentences from other capitals were: "Mr Menzies has now a supreme opportunity to rise to his full stature as the wartime leader of the nation".[4] "Probably four out of five Australians . . . are looking to him for that one thing needed to gather up our strength as a nation—leadership that really leads."[5]

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[2] F. G. Shedden, N. C. Tritton, S. Landau and John Storey. See acknowledgment in *Commonwealth Debates,* Vol 167, p. 12.

[3] *Age* (Melbourne), 19 May 1941.

[4] *Sydney Morning Herald,* 25 May.

[5] *Courier-Mail* (Brisbane), 23 May.

Within a few days of his return the Prime Minister met Parliament and, both in a formal sitting and in a joint private meeting of both Houses, made long statements on his work abroad and the war outlook. Parliament rose from 31st May to 18th June. During the adjournment he presented to his Cabinet colleagues his extensive papers on various aspects of the war effort and on the 17th June, in a national broadcast on the eve of the re-assembling of Parliament, gave the "prospectus of an unlimited war effort".

The gap of three weeks between his return and the announcement, though fully occupied in Cabinet and parliamentary business and in the peculiar difficulties of the political situation, was perhaps unfortunate. People began to wonder whether he had anything to offer more definite than the exhortations to do more which were contained in the speeches at his homecoming. In lack of more solid matter, much more attention than they deserved were given to some phrases in which he had expressed his distaste at such a time at having to come back to the "diabolical game of politics". To his critics the phrase gave an opening for attack; and even to the well-disposed a glimpse of sickness of heart rather than strength.

The speech of 17th June, broadcast over every national and commercial station in the Commonwealth, declared that an "unlimited war effort" was essential. So far the national structure had been, with some modifications, largely that of peace. It must change to an organisation for war. In the face of peril all limitations on the war effort must go.

> We have in fact reached a point where your alleged rights or mine don't matter (the Prime Minister said). The only way in which we can lose either permanently is by losing this war. The only way in which we can win this war is by being prepared to put into pawn every right that we have until victory is attained. If every man is to go on working where he likes, at the kind of job his employer chooses; if every manufacturer is to make what he can get people to buy; if every person is to spend what he can afford on what he likes to buy; in brief, if we are to live as usual and largely leave the war to others, we cannot deserve to win and the perfect equipping of our men overseas must be left largely to others.

The Prime Minister indicated particular measures which would be taken. The whole list of reserved occupations would be drastically overhauled and manpower would not merely be conserved but directed and used. The services of women would be used. Men, machines and money must be concentrated on war. Civil production would be reviewed and a new authority would be set up for that purpose. Civilian consumption would be re-examined and non-essential imports cut to the bone.

To carry out this policy administrative changes would be made. There would be a separate Minister for Supply and a separate Minister for Munitions with an Assistant Minister to devote himself to Aircraft Production. Within the Munitions organisation a special director of Tank and Armoured Fighting Vehicle Production would be appointed. The existing organisation for labour placement would be improved and supplemented by a central office established in each State capital as a clearing house in labour supply and manpower matters between the Commonwealth war

departments, private industry and State Government agencies. There would be stricter petrol rationing, tighter control over shipping, railways and road transport and the establishment of a Coal Commission "to control and direct the production, distribution, supply and consumption of coal".

The Prime Minister reviewed the "sabotaging" of the war effort by industrial stoppages in spite of the provision of special conciliation machinery. The "hard-headed disloyalist" who was out to do harm would be interned. Strikes and lock-outs would be prohibited. Action would also be taken against any employers who impaired the work of tribunals or interfered with the nation's production, including, if necessary, the taking over of their businesses.

Civil defence services, a great deal of which were in the hands of States and municipalities, would be coordinated and an Assistant Minister appointed specially to the task.

In conclusion the Prime Minister spoke briefly of financial and economic policy. The aim had been "a liberal use of the Central Bank, substantial taxation, extensive borrowing from our own people and the control of prices through the Prices Commissioner, each factor being blended with the others with sufficient care to produce soundness and sanity". Heavier war expenditure in Australia must not be allowed to produce luxury spending. In future more must be obtained from the people. More must be put into loans and war savings certificates.

He concluded:

> We have a great price to pay but we have a great freedom to preserve. We are not fighting this war so that we may thereafter live in a state of precarious peace where living standards collapse under the strain of armaments. We are fighting this war for such a victory as will enable humane men in every country to set about the building of a new way of life in which men may live not only free from the fear of war but free from the fear of unemployment and injustice. Democracy not only has a battle to win against tyranny, but it has to conquer the grave weaknesses which it has itself exhibited in the past. Democracy is not merely a machine of government. It is a system which is based upon a belief in the supreme importance of the rights of man. When this war is over I am not looking for a restoration of old privileges and of old possessions. There must be no looking back to what was in many ways an unjust state of society, much of which acquires romance merely by the passage of time . . . . Let us then fight as strong men who are confident of their cause and who are assured of victory. But let us also fight as men who know that victory must be the work of their own indomitable will and untiring hands.

This "prospectus of an unlimited war effort" was to some extent the culmination of events which had been taking shape in Australia for the past six months and, in order to see certain of its proposals in their correct perspective it is necessary to make a rather lengthy digression into the field of manpower and resources in order to appreciate the circumstances in which Menzies made his broadcast and to trace the results which followed from it. This digression is made in the next succeeding chapter. Before following that side path, however, let us look further at the political situation.

2—APPLYING THE PROGRAMME

To carry out the programme for an unlimited war effort, the Prime Minister announced an enlargement and reconstruction of the Cabinet. This action followed further vain attempts to form a national government.

In the Budget compromise of December Curtin had held to his consistent argument against national government. "Forming a National Government would mean that the Communist elements in Australia would constitute the *de facto* organised opposition to the Government. They would attract to their leadership every section of the people who were dissatisfied with what the National Government was doing. The result would be an increase of subversive and destructive acts against the war effort, carrying as a reinforcement all other elements which, while patriotic, felt that legitimate grievances were not being properly dealt with."[6]

At the time of the evacuation from Greece, Menzies, in a statement from London on 22nd April, said: "In face of the present situation, there is an imperative necessity for a completely united national effort. I once more call upon all parties to close up the ranks and form a truly national war administration". In Australia, on the following day, Fadden officially renewed the invitation to the Labour Party to join an all-party government, handing to Curtin a telegram from Menzies offering Labour half the portfolios in an all-party administration. Consideration of the offer was delayed.

On 26th May, on his return from abroad, Menzies publicly appealed to Labour to share responsibility.

> I am the last man to say cheap things about the party system, or party debates (he said in a speech in the Sydney Town Hall), but in this solemn and fateful hour in our history it is for us, if we are intelligent men, to make Parliament an instrument of war and not an instrument of dissension. I have never had any lack of understanding of the point of view honestly held and candidly expressed by my friend Mr Curtin. In my absence for four months, I believe that I owe a great deal of stability to his understanding; but you will understand my utter astonishment, coming back from the scenes I have witnessed, coming back here from this magnificent unity of purpose and of function and of organisation that exists in Great Britain, to find that men sitting on the Opposition benches, men like Mr Curtin, Mr Forde, Dr Evatt, Mr Beasley and Mr Makin, those men who sit on the Advisory War Council, should have no executive function in the direction of the war and should be compelled to stand off and become the critics of an effort to which they might easily be powerful contributors.

In his peroration he appealed again for unity. "When I say that, I am not appealing for myself," he went on. "It has never—I say this most honestly—appeared to me of any moment whether I happen to be the leader of this country or not—but whoever is the leader of this country must have behind him, if he is to do the job, not only unity of purpose but unity of action, unity of spirit."

Apparently no new negotiation or correspondence took place between the party leaders, although the press reported that the Government had

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[6] Statement published in Australian metropolitan newspapers, 9 Dec 1940.

again offered the Opposition half the portfolios in an all-party government. Meeting in Canberra on the afternoon after the Prime Minister's speech, the Federal Parliamentary Labour Party considered the telegram of 23rd April and decided unanimously: "That this party maintains its opposition to entering a coalition government, believing that its present cooperation in the war effort is more effective". At the direction of the meeting Curtin made a long public statement reviewing the various discussions on national government since the beginning of the war. "The mere political formula of a National Government would not add one scrap to our war effort," he said. "Far from that, it would be the signal for disturbances in our political, industrial and civil life that would be as dangerous as they would be inevitable. I remind the Prime Minister, and I warn the press of Australia, that the Australian Labour movement has today—after almost two years of war—averted the serious consequences which, during the 1914-18 World War, followed the formation of an administration which rendered Parliament ineffective because of an impotent Opposition." He recalled the declarations of the Labour Party in June 1940, regarding the prosecution of the war and said that the party had endeavoured to give effect to those principles through regular meetings of Parliament, the maintenance by the party of its "integral identity" and the establishment of the Advisory War Council. He concluded: "The establishment of a National Government would promote disunity. In the national interest, therefore, I ask that the task of those charged with the responsibility of leadership in the Australian Labour movement be not further embarrassed by loose talk of a National Government. To the irresponsibles—the propagandists and the controversialists—I say: Devote your energies to something more useful in the national interest. Labour has pledged its all. It is giving its all. We will win through by the strong arm of working-men and women; not by the idle chatter of disruptionists".

The strength of Labour was growing. At the beginning of February 1941, in New South Wales, a conference of the Non-Communist Labour Party led by Mr Lang had agreed by 104 votes to 26 to a motion favouring unity with the official Labour Party and the proposal had been promptly endorsed in a ballot of affiliated leagues and unions. The consequence was that in the Federal Parliament, Beasley and his small group acknowledged Curtin as leader.[7] In New South Wales the State elections in May were won by the Official Labour Party, led by Mr McKell,[8] who gained 11 seats from the U.A.P., 3 seats from the U.C.P., and 4 new seats created by a redistribution of electorates. On 24th May, at a Federal by-election in Boothby, South Australia, necessitated by the death of J. L. Price, who had held the seat at six general elections, the U.A.P. candidate, Dr A. Grenfell Price,[9] won, but, in a small poll on an increased enrolment, a

[7] *Sydney Morning Herald*, 3 Feb and 8 Feb; Statement by Beasley in House of Representatives 12 Mar, *Commonwealth Debates*, Vol 165, p. 15.

[8] Rt Hon Sir William McKell, GCMG, MLA NSW 1917-47. Premier and Treasurer 1941-47; Gov-Gen of Australia 1947-53. B. Pambula, NSW, 26 Sep 1891.

[9] Dr A. Grenfell Price, CMG. Master St. Mark's College, University of Adelaide, since 1924; MHR 1941-43. B. Adelaide, 28 Jan 1892.



Daily Telegraph (Sydney)

Charcoal burning gas producers were adopted for petrol-driven engines and in 1942-43 up to 60,000 vehicles were equipped. Models were available for the front or rear of a vehicle, or could be towed on a small trailer.



Sun (Sydney)

Coal gas, stored in balloon-like containers, was another substitute fuel adopted for both light and heavy vehicles.





Sydney Morning Herald.

War and housing conditions. The influx of munition workers into towns like Port Kembla and Lithgow (N.S.W.) produced acute shortages of housing. At Lithgow employment at the Small Arms Factory rose from 500 in June 1939 to 4,000 in June 1941; here newcomers improvise cooking facilities. and pitch their tent in the shelter of a pine plantation beyond the town.

new Labour candidate received nearly 10,000 more first preference votes than Labour had received at the general election less than nine months earlier.

An incidental effect of the return to the fold by the Non-Communist Labour Party was that Beasley had lost his separate representation of that party on the Advisory War Council and, in a ballot of the united party, Evatt had gained the place. To help avoid complications, the Government agreed to a Labour suggestion to increase the membership of the Council to ten, five places being available for Labour. Thus Beasley's membership continued unbroken and Evatt joined the Council from 18th March.

In preparing his programme of unlimited war effort, Menzies necessarily fell back on the procedure of consultation with the Advisory War Council. His broadcast of 17th June, after having been discussed with the Cabinet, was also discussed on the day of its delivery with the Advisory War Council. The chief comment was made by Curtin who argued that the greater weight of the burdens forecast by the Prime Minister would fall on "labour", either by the transfer of men to war industries or their enlistment in the fighting forces, and that "some indication should be given that their efforts and sacrifices were going to result in making social conditions better" and he suggested the appointment of a parliamentary standing committee to report on social reforms. Menzies, who had already drafted proposals regarding the use of parliamentary committees, accepted the point to the extent of writing into his speech a reference to social security as an example of the questions these committees might examine.[1]

Lacking any hope of an all-party government and extending the possibilities that the Advisory War Council offered for making Parliament workable, Menzies sought means of giving to private members an increasing share of the responsibility for wartime administration. In his broadcast he said that he was taking up with the Council "ways and means of constituting a series of Parliamentary Committees to be attached to the various major departments, with a view to providing an adequate parliamentary scrutiny of what we are doing while we are doing it, and not after it is done". When Parliament was not in session the services of private members should be availed of for the important work of "scrutiny and suggestion". A greatly extended use of committees would be of immense benefit in producing "a joint sense of responsibility and a really united attack on our problems".

Following consultation with the Opposition, the Prime Minister introduced motions into the House of Representatives on 3rd July for five joint parliamentary committees. Four of them concerned questions directly related to the war effort in which Parliament had shown a keen and sometimes controversial interest. A Joint Committee on War Expenditure was to examine current expenditure defrayed out of moneys voted by the Parliament for the defence services and other services directly connected with the war and to report what, if any, economies consistent with the

[1] Advisory War Council Minute 403, 17 Jun 1941.

execution of the policy decided on by the Government might be effected therein. A Joint Committee on Social Security was to inquire into and, from time to time, report upon means of improving social and living conditions in Australia and of rectifying anomalies in existing legislation. A Joint Committee on Profits was to inquire into methods of restricting or controlling profits or prices, and the question whether any, and, if so, what alterations should be made in the existing methods of taxing profits. A Joint Committee on Rural Industries was to inquire into the effects of war on the marketing of Australian primary produce and on the economic condition of the Australian rural industries. The fifth was a committee on wireless broadcasting in Australia.

Menzies never claimed more for the committees than that they were for the benefit of the parliamentary system. He said that, having regard to the fact that in wartime a considerable transfer of power to the Executive had been found necessary, and to the further consequential fact that Parliament met for comparatively brief periods, it was of first importance, in order to preserve the continuity of parliamentary influence and the continuous responsibility of members of Parliament that they should be given some continuous function in relation to administrative affairs.[2] Cameron, from the back benches, declared that the appointments were "nothing but an attempt to buy the acquiescence of this House in the Government's policy and to secure silence on certain matters which ought to be thrashed out", but he spoke for a small minority.

Whatever the value of the committees might prove to be, the responsibility of government still rested in the hands of a Cabinet formed from a United Australia Party and Country Party coalition. All that could be done there was to reorganise. Following a meeting of the Federal Executive Council on 26th June, Menzies announced the creation of the five new Departments of State—Aircraft Production, Transport, War Organisation of Industry, Home Security and External Territories. Three new members were added to the Cabinet—Messrs Spooner (Minister for War Organisation of Industry), Abbott[3] (Home Security) and McDonald[4] (External Territories). Senator Leckie and Mr Anthony, formerly Assistant Ministers, were given respectively the portfolios of Aircraft Production and Transport, and in consequence of other adjustments, Senator McLeay became Minister for Supply and Senator McBride Minister for Munitions. The reconstruction had followed the approval of a Ministers of State Bill which increased the membership of Cabinet to nineteen Ministers of State, twelve of whom were to be remunerated as Ministers and seven to be remunerated as Assistant Ministers. Previously there had been a Cabinet of twelve Ministers (eleven by statutory provision and one by National Security Regulation), and four Assistant Ministers.[5] At the same time

[2] *Commonwealth Debates*, Vol 167, p. 852.

[3] Hon J. P. Abbott, MC. (1st AIF and Capt RFA.) MHR 1940-49; Min for Home Security 1941. Grazier; of Wingen, NSW. B. North Sydney, 18 Oct 1891.

[4] Hon A. McK. McDonald (1st AIF: 14 Bn.) MLA Vic 1933-40. MHR 1940-53; Min for Ext Territories 1941. Of Winchelsea, Vic; b. Winchelsea, 4 Jul 1888. Died 10 Jun 1953.

[5] *Commonwealth Debates*, Vol 167, p. 323, et seq and pp. 430-31.

the earlier attempt to construct an Economic Cabinet alongside War Cabinet was revived by the setting up of an Economic and Industrial Committee of Cabinet under the chairmanship of Fadden.

The announcement of the unlimited war effort had been made on the eve of the reassembling of Parliament and, although not formally before Parliament, was clearly in the minds of members and, by some latitude in a debate on the Prime Minister's statement of 28th May, was even discussed directly.

Curtin backed up the Prime Minister's demands on the nation. After reviewing the state of the war, he said that Australia had to be turned into an arsenal capable of producing the whole of the equipment needed by Australia and a good deal of the equipment needed by neighbouring countries, India and the Middle East. Readjustment of the nation's economic life, diversion of labour, curtailment of civil production and some rationing of civil consumption were necessary. He sketched the need for a manpower policy to strike a balance between the needs of production in Australia, defence within Australia, and service overseas. The stupendous industrial and economic programme outlined by the Prime Minister involved a tremendous utilisation of the manhood of Australia for war industries, the transfer of many men from the production of goods for civil use and probably the displacement of men by women. Because the effect of such changes would inevitably fall on the workers, machinery should be devised to allow the greatest possible degree of "consultation, agreement and concert" with the workers. He thought the Prime Minister might have phrased differently the part of his speech about industrial unrest. The Government did well when it accepted the advice of the Advisory War Council and devised conciliation machinery in order to assist in solving this problem but it might have given that machinery a little longer experience and perhaps a wider elaboration before the Prime Minister stated that it was intended to prohibit strikes. The Government should take well into account the difficulties of the trade unions, the circumstances in which their members were working and the general way in which they were shaping before, in a moment of panic or under newspaper pressure, it assumed that the unions were not pulling their weight. The Prime Minister had paid a well deserved tribute to the great body of workers and he (Curtin) wished to pay his tribute to the Government for the way in which it had attempted to facilitate the working of the machinery for the settlement of industrial disputes, particularly in regard to the coalmining industry. The Government should build on that foundation of collaboration with labour rather than use the developing outlook on the war as a new reason for putting labour in a strait jacket.

Curtin welcomed the proposals for parliamentary committees, and urged in particular the need for the Joint Committee on Social Security. "In my opinion," he said, "the workers and the people are entitled to some instalments of the new social order as opportunity offers, while they are being called upon to make this great sacrifice . . . as the war moves from stage to stage, and the burdens become increasingly heavy upon the

community as a whole, there ought to be some departure from the old social order, even while the war is being waged."

Then, after commending further features of the programme, he concluded:

> The great truth to remember is that this Parliament will have no opportunity to serve the people unless our cause is crowned with victory. That is my most fervent conviction. The question of how victory is to be secured involves many problems which must be discussed in this Parliament on their merits. Suggestions will be made, and the Government must decide upon a course of action after hearing the best advice available. Just as all the people of the nation are now being called upon to do their best, in order that the country may do its best, so I maintain that, when the war is won we should, not as an expression of empty rhetoric, but in very fact, pledge ourselves to the service of the people as a whole. The people alone stand between Australia and defeat, just as the people stand between Great Britain and defeat, and Great Britain and Australia must be saved for the proper use of all their people, and not as the happy hunting grounds of a privileged few.[6]

Not all the party followed their leader. From Sydneyside Labour still came imprecise and unsubstantiated attacks on "privilege", "vested interests", "graft", "fascism", "big business" and so on—and here and there were heard frank objections to rationing or controls. There was the old talk of inequality of sacrifice. There were some attacks on Menzies and on Churchill and there was a good deal of recrimination over Greece and the "massacre" of Australians.[7]

Deference was paid by the Government to the point made by Curtin on industrial relations. Speaking on the subject by leave on 1st July, Curtin expressed a hope that a Bill to amend the Commonwealth *Conciliation and Arbitration Act,* of which notice had been given, would not be produced. He quoted a resolution agreed to by 128 votes to 71 at a congress of the Australasian Council of Trade Unions on 5th June as evidence of the determined support of the war effort by organised labour (although it should be noted that the pledge of support was coupled with a "demand" for "a substantial immediate improvement in the standard of life and freedom of speech and assembly" and affirmations of the need for the immediate nationalisation of the arms industry and the "utilisation of national credit") and declared: "We are within sight of the reality of a nation united for the purpose of production". He asked the Government to consider this before it proceeded with the legislation. In the course of his brief statement, Curtin asked the employers to avoid, as far as possible, action likely to increase industrial discontent or bitterness and added:

> At the same time, I say to the trade unionists that they have basic rights as everyone has, but there are times when it does not pay to insist every day on the vindication of those rights. As things stand today it is of the greatest immediate and future importance that those who are engaged in industry, either as employers

[6] *Commonwealth Debates,* Vol 167, pp. 109-13.

[7] *Commonwealth Debates,* Vol 167. Speeches of Ward, p. 143 et seq; Falstein, p. 185; Morgan, p. 191; Mulcahy, p. 205; Breen, p. 209; Conelan, p. 218; Beasley, p. 729; Rosevear, p. 743; Calwell, p. 754; and Martens, p. 754, afford examples of the way in which, in one or more of the respects mentioned, individual members fell away from the course set by their leader. The debate on the Supply Bill, too, afforded many instances of the preoccupation of many members with petty grievances. The majority of the House was clearly behind an unlimited war effort but there was not a very reassuring prospect that they would be allowed to work together to achieve it.

or employees, should not make the gift of one moment's wasted time to the enemy, and that, as far as possible, machinery which is in existence for the settlement of industrial disputes should be promptly used by those who consider that they have grievances. If the machinery be inadequate to meet their difficulty, or if it cannot function rapidly enough to enable a quick decision to be given, their proper course is to continue at work and to make a submission to the Government so that the impediment to the operation of the machinery may be overcome.[8]

Menzies expressed agreement. The projected Bill which presumably would have contained provisions regarding the prohibition of strikes, was not introduced.[9]

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[8] *Commonwealth Debates*, Vol 167, p. 582.

[9] Two closely-related questions were involved. One was the right to strike and the other was sanctions against workers or trade unions. It might seem logical to argue that the establishment of a system of legal determination and enforcement of wages and conditions and the settlement of disputes by conciliation and arbitration meant that direct action had been superseded by legal process. Such logic ignores history. The struggles of organised labour for half a century in Australia had left these questions as precious and as sensitive as the scars of a veteran.

The original Commonwealth *Arbitration Act* of 1904, like legislation in New South Wales and Western Australia, prohibited strikes and lock-outs, the intention being to enforce the arbitration system. Penalties could be imposed for a strike or continuation of a strike. Act No. 43 of 1930, introduced by the Scullin Government (Labour) removed the coercive sections. The Arbitration Court itself, however, under its statutory powers might, but seldom did, insert in an award a clause prohibiting a strike under pain of penalty. The Court might also suspend or cancel an award or deregister an organisation and these powers could be used as a deterrent against strikes although not constituting a prohibition or providing a penalty against strikes. There had always been opposition to the coercive sections of the Commonwealth *Arbitration Act* in force before 1930. The contemporary trade union feeling on the subject is expressed by the following resolution of the A.C.T.U. Congress of June 1941:—

"That this Congress declares that the most important democratic rights held by the working class are the right to organize and bargain collectively, and the right to refuse employment collectively, that is to strike. In opposition to the enemies of the workers who say that there should be no strikes in wartime we declare that in wartime more than in any other period the right to strike must be preserved, because the strike weapon is the only guarantee against employers taking advantage of the war to smash trade union standards and trade union organisation. We urge the working class of Australia not to be misled by the propaganda against strikes emanating from the profiteers but to realise that without a firm determination to preserve trade union freedom, the war, whatever the military result, will result in the destruction of the valuable organisation of the working class, which has only been built as a result of years of patient endeavour."

On two occasions before July 1941 the Government had been warned of the danger of attempting to introduce penalties against strikers. When inaugurating the system of Conciliation Commissioners in November 1940, the Government had agreed to a Labour request to defer proposals for sanctions against strikes and lockouts until the new conciliation system had had a fair trial. Towards the end of April 1941 Cabinet referred to the Council a renewed recommendation that, in view of the number of cases in which direct action had been taken and the serious effect on war production, "some stronger and more flexible degree of disciplinary control should be vested in the Arbitration Court". Again, after discussion in the Council, the matter was deferred, at the request of the Labour members. (A.W.C. Minute 298 of 24 Apr, and Agendum 48/1941.) There was apparently no further Council discussion on this point before the announcement of an unlimited war effort, apart from a general discussion in the Council on the text of the Prime Minister's broadcast on the day of its delivery. Thus a challenge to the Labour leaders had been made publicly to make good their claim that organised labour was giving the war effort its determined support and that the "disciplining of labour" (to quote a current newspaper phrase) was unnecessary. It was clear, too, that there was a good deal of public sentiment behind the Government's demand that industrial stoppages must not be allowed to hamper the war effort.

Since the beginning of the year Curtin had been trying to drive home to industrial labour the national peril and the wisdom of not insisting on lesser matters for fear they lost their major rights. Now these efforts to obtain industrial peace, not by the "discipline" of the law, but by the persuasion of the Labour leaders and the discipline of the Labour movement itself were renewed. Implicit in the postponing of the projected Bill to amend the *Arbitration Act* was an expectation that this method would yield better results.

Already, before the broadcast of 17th June, the trade unions had given an earnest of their intention. In a series of broadcasts over the national network during April and May officers of the Australasian Council of Trade Unions had assured the nation of the determined loyalty of the trade unions while at the same time counselling industrial peace. They called on employers and employees to reduce industrial friction, to use the conciliation machinery and to keep industry moving. They asked, too, that cooperation be extended by appointing representatives of the trade union movement on every board or tribunal set up in connection with the war effort.*

*"The Trade Unions and the War", undated Department of Information pamphlet containing broadcast talks by R. A. King (vice-president A.C.T.U. and secretary Labour Council of New South Wales); A. E. Monk (president of the A.C.T.U.) and C. A. Crofts (general secretary A.C.T.U.).

On 6th June a statement issued by C. Nelson, general president, G. W. S. Grant, general secretary, J. Kellock, Northern president, and W. Blane, Northern vice-president of the Miners' Federation, appealed to members to refrain from petty stoppages and to settle disputes through

As regards the claim for an improvement in social services during the course of the war, no further action was taken immediately beyond the appointment of the Joint Committee on Social Services and, after that committee commenced work, the Minister for Social Services, Sir Frederick Stewart, placed some of his own proposals before it for examination. Already a scheme of child endowment—a subject which had been under consideration by Federal governments since 1927—had been approved in April, providing a payment of 5s. per week for each child under sixteen years of age after the first child in the family. The endowment was to be financed by a new pay-roll tax.[1] This measure had represented the first fruits of the social planning in the Department of Social Services and the newly-created Department of Labour and National Service; and under their permanent heads Mr Rowe[2] and Dr R. Wilson respectively it might be expected that both by administrative and legislative action the social care of the population would steadily advance.

Of kindred interest was a *National Fitness Act,* giving permanence to a movement inaugurated in 1939, and incidentally, as Stewart pointed out, indicating a trend towards a greater acceptance by the Federal Parliament of "responsibility for the health and betterment of the community—a responsibility which hitherto has been obscured by the constitutional hedge". It was supported by all parties.[3]

During the session pensions received a good deal of attention and the Government was outvoted on a resolution expressing an opinion in favour of the repeal of a section of the *Pensions Act* which provided that the invalid pension should be paid only to invalids not maintained by their relatives. The House had also rejected a suggestion that the matter should be referred for examination by the Social Services Committee which had just been created. Wilson, who had not spoken in the debate, crossed the House to vote with Labour, making the result 30 Ayes and 29 Noes.[4]

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the local tribunals established for the purpose. They said that when they asked for Central and Local Reference Boards for the coal industry they assured the authorities that such machinery would minimise petty stoppages. Justifiable grievances could be dealt with by this machinery. They reminded the rank and file that the unions were asking for a pensions scheme and an amendment of the *Compensation Act.* "These are fundamentals and it is necessary to exercise the greatest discipline behind an organisation in order to ensure the respect of the public and of the respective bodies for an early and expeditious execution of those two objectives." (*Sydney Morning Herald,* 7 Jun 1941.) Early in June, too, the A.C.T.U. Congress had agreed to the resolution quoted with satisfaction in the House by Curtin. That resolution had not been adopted without opposition. Several amendments had been put forward in an endeavour to defeat the paragraph declaring full support for the war effort, and one of the leaders of the minority, E. Thornton, of the Ironworkers' Union, subsequently attacked the majority bitterly and alleged that people who were not qualified to vote had come into the meeting to support the executive. (*Sydney Morning Herald,* 6 Jun 1941.) Despite this resolve, in the July-September quarter 557,693 working days were lost by industrial disputes, 429,810 of them in New South Wales. It was the second highest quarterly total for the whole period of the war. Yet the political and industrial leaders were acting up to their promises.

The dilemma which the Menzies Government faced also confronted Curtin when he became Prime Minister and he took the action which he had dissuaded Menzies from taking. In February 1942 a Labour Government issued National Security Regulations banning strikes and prescribing a penalty.

For a general discussion of the "right to strike" in Australia see also Victor S. Clark, *The Labour Movement in Australasia* (1907), pp. 189-93; Foenander, *Wartime Labour Developments in Australia* (1943), pp. 24-30.

[1] *Commonwealth Debates,* Vol 166, Mar-Apr 1941.

[2] F. H. Rowe, CBE. (Served in 1st AIF.) Sec Dept Soc Services Apr-Dec 1941. Dir-Gen Dept of Social Services since 1941. Of Melbourne; b. 20 Oct 1895.

[3] *Commonwealth Debates,* Vol 167, especially pp. 713-15.

[4] *Commonwealth Debates,* Vol 167, p. 868, 3 Jul 1941.

Industrial disputes and social services had been the main questions on which the Leader of the Opposition had elaborated his support for an unlimited war effort. There were two other questions on which private members of the Opposition also forced attention. Blackburn, in keeping with his stand on civil liberties since the beginning of the war, moved the disallowance of National Security (General) Regulation 42A, which related to the making or spreading of reports intended to or likely to prejudice the war effort.[5] Blackburn's objection was that under this regulation a person might be convicted of an offence although he had no conscious intention of affecting public opinion at all and that, unlike the original Regulation 42, it was not specifically required that the consent of the Attorney-General must be given before a prosecution was made. He argued with such strictness to the letter and an expectation of lack of common sense in all authorities as to make his objections seem somewhat exaggerated. He declared that the regulation meant that nobody could safely discuss the war policy of the Government or of the Imperial Government or anything which was in any remote degree connected with the war unless he was prepared to endorse in its entirety the Government's policy and its method of conducting the war effort. None of the leading members of the Opposition contributed to the debate and indeed the Government had received encouragement in the Advisory War Council to believe that the Opposition would agree to the new regulation. On a division, however, the regulation was disallowed by 22 votes to 21, Wilson again not joining the debate but voting with Labour.

On a long view, the importance of the vote appears less in any practical effect it had on the control over subversive activities than in the fact that Parliament had exercised its right and its democratic duty of scrutinising regulations. It is doubtful, too, whether the extreme interpretation placed on the regulation by Blackburn was a true interpretation, but a salutary declaration of democratic standards had been made. At the same time the Government had been reminded that on the Opposition side party discipline was stronger than inter-party consultation and that Wilson was an Independent.

The Opposition did not, however, seek to make an issue out of the concern of a small group of their members with the dissatisfaction of wheat growers. On 1st July Scully, representative of a country electorate in New South Wales, moved the adjournment of the House to discuss the wheat stabilisation scheme of the Government. His objections were to the proposals of the Government to restrict the acreage sown for wheat, which, he said, would ruin hundreds of growers in New South Wales, and his case was based very largely on the individual complaints of hardship which he had received from his own electorate. He was supported by three of his colleagues from wheatgrowing constituencies, while Wilson, upholding stabilisation, appealed to the Government to administer the scheme

[5] Statutory Rules 1941, No. 69, 27 Mar 1941.

sympathetically and expressed some doubts and fears. The motion was negatived on the voices.[6]

On 3rd July, after a period of a little over two months, Parliament again adjourned. Supply had been granted. The Government's programme for an unlimited war effort had received the official blessing of the Leader of the Opposition. The system of parliamentary committees had been established. The votes against the Government had not been on vital issues.

The most disturbing signs regarding the health of the Government had come from the cross benches on both sides of the Chamber. There was a note of captiousness in the dissatisfaction with the war effort frankly expressed by such Government supporters as Cameron, Hutchinson and Marr.[7] When Sir Earle Page went out of his way to speak generously in tribute to Menzies on 30th May, he was not only following the impulse of a warm nature but trying to hearten the coalition, which in lack of national government, he believed must lead the nation. He recalled that at one time he had been unable to cooperate with the Prime Minister but said that during seven months in the wartime Cabinet he had had an opportunity to estimate, with a full knowledge of the facts, the valuable work that Menzies had done for the country. He had striven "capably, strenuously, courageously and successfully in the interests of Australia and the Empire generally".[8]

From the cross benches on the other side of the chamber came clear signs that, while the Opposition was cooperating with the Government on many phases of the war effort, a number of its members were determinedly working to push the Government out of office. Repeatedly, when the question is asked why this or that was said or done or left undone by certain Labour members, the only convincing answer to be found is that the purpose was to discredit and destroy the Government. There were growing signs, too, that some of those who were silent in the House were active outside the House to play on ambitions, discontents and party loyalty to force Curtin into an early bid for office. The first and necessary step was to shake confidence in the Government.

3—THE PUBLIC RESPONSE

So far as popular feeling is expressed in the newspapers, there was growing dissatisfaction throughout the first half of 1941 about the adequacy of the war effort. There was frequently a scolding note in leading articles, sometimes against the people for their alleged complacency, unawareness of danger and unwillingness to make sacrifices, sometimes against the Government for not giving leadership and for not speeding up its plans. Among the particular matters most frequently mentioned were the failure to make use of idle facilities especially in garages, small factories and rail-

[6] *Commonwealth Debates*, Vol 167, pp. 595-612.

[7] Hon Sir Charles Marr, KCVO, DSO, MC. (1st AIF: C/O A & NZ Wireless Sqn.) MHR 1919-29 and 1931-43; Min for Home and Territories 1927-28: Min for Health and Repat and Adminis Territories 1932-34. B. Petersham, N.S.W., 23 Mar 1880.

[8] *Commonwealth Debates*, Vol 167, p. 74.

way workshops; the effect of strikes on slowing down production; alleged apathy in A.R.P. and civil defence measures; the need for a greater strictness in the limitation of non-essential imports.

The criticism was to some extent self-cancelling. While one critic might be complaining that the people were ready and anxious to do more if only some service could be found for them, another leader writer would be taking the complacency of the people as his text; while one was talking of unemployed men and idle machines, another was describing a situation which demanded exceptional measures to find labour and plant.

A survey extended beyond the metropolitan newspapers to the weekly organs of parties or organised interests brings open contradiction. Those who condemn strikers can be matched by those who allege oppression of the workers; those who find hope in the organising skill and initiative of industry by those who attack monopolists and profit-makers as the chief enemies of the country; those who want tighter control by those who attack every infringement of civil rights and liberties; those who urge rationing by those who are ready to resist any inroads on their own line of business. Those who welcomed Menzies home and called on him to inspire the nation can be matched by the bald opposition to him by papers which insisted that the class struggle must go on.[9]

The reception given by the daily press to the Prime Minister's call for an unlimited war effort was generally favourable. Editorials welcomed it as showing "first-rate statesmanship" and as "practical and inspirational". Statements gathered from spokesmen of various organisations indicated wide support among the public at large. The *Age* reported on a round-up of opinion in Melbourne:

> Big industrialists and business men, shop assistants and housewives all appear to endorse this new speeding-up, all-in programme, and declared themselves ready to accept—and accept cheerfully—the burdens and sacrifices it must mean. Here and there a voice of criticism was raised, but for the most part it took the form of doubt as to whether the plans for overhauling problems of manpower, industry, trade and finance went far enough. "We can take it—and more if necessary," was the general attitude, "and now let's get on with the job."[1]

Newspapers in other States reported a favourable reaction and quoted statements from presidents of chambers of commerce, chambers of manufactures, retailers' associations, women's organisations and kindred bodies. Trade union officials in some cases gave guarded approval to the general purpose of the broadcast but the proposals regarding the prohibition of strikes were denounced by others as intimidation, a threat to trade unionism, "Nazism", and a misunderstanding of the Labour movement. It is apparent that, if the Government had not deferred to the representations of Curtin but had persisted in the proposed course, dissension would have been sharp and bitter.

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[9] For example: The *Australian Worker*, 28 May 1941, "Labour is engaged in a stern struggle for economic justice. The fact that we are at war doesn't alter that position. On the contrary it intensifies it. It is even more essential in wartime than in peace that the Labour Party should bear in mind its fundamental policy, and seize every possible opportunity to strike at the evils of the capitalist regime".

[1] *Age* (Melbourne), 19 Jun 1941.

Within a week of the call for an unlimited effort, however, another event worked other changes in opinion. On 22nd June Germany invaded the Soviet Union. Churchill's broadcast declaration that any man or state who fought against Nazidom would have British aid and therefore Britain would give whatever help she could to Russia and the Russian people followed within a few hours. This statement, made in circumstances in which no prior consultation with the Dominions was considered possible but immediately communicated to them, was "completely accepted" by the Australian Government. Statements by Menzies and Curtin in Parliament focused attention, as Churchill had done, on the central fact that Russia was fighting Germany and that past or present doubts about Soviet policy were of less account.[2]

There was need to concentrate on that fact both in anticipation of German propaganda which would represent the German act of aggression as a crusade against "godless Bolshevism" and because opinion within Australia was divided on Russia and on Communism. Hitherto Russia had been known to many people as the ally of Germany, the invader of Finland, the plunderer of Poland and the Baltic States and the enemy of the Church, while to others she was the rose-red dreamland of classless society where work was a joy and amusements were socially significant. Hitherto Communists within Australia had engaged mainly in subversive activities and, though the exact extent of these was known only to a few, Communism appeared to many as a dangerous and destructive force both because of its doctrines and because of the behaviour of Australian Communists in a time of national danger. The single fact to seize on was that Russia was fighting Germany.

At first there were momentary doubts whether Russia would in fact resist, and when it quickly became plain that she would there was a common doubt whether she could hold out against the military power of Germany hitherto victorious on every front except for a brief period in North Africa. The slowness of Russia to make headway against a weaker Finland in 1939 had left an impression that the Red Army was not as strong as its numbers, and all manner of rumours were current about the imperfections of Russian tanks and aeroplanes. Almost anywhere, on any day, someone could be heard prophesying that Germany would be in Moscow in three weeks, and the speed of the German advance at first gave some credence to their stories. Even when the more hopeful quoted history and Napoleon to prove that no one had ever conquered Russia, the prophets came back with the assertion that there were four months left before winter and by that time Hitler would have triumphed again. The German radio said so.

The Anglo-Soviet Agreement, signed in Moscow on 12th July for mutual assistance against "Hitlerite Germany" and no separate peace put a period to most of the early doubts. Although Australia was not a party to the agreement, it was for her, too, a symbol that the British nations and the

[2] *Commonwealth Debates*, Vol 167, pp. 284-86.

Soviet Union had made a common cause and were pledged as allies. They were in the fight together to the end.

One incidental effect of the early misconceptions about Russia was that every fresh piece of news about Russian resistance and the courage, determination and resource of the Soviet peoples and soldiers built great respect for Russia. In the course of the war, a completely new and wholly heroic picture took shape, for in the war news about Russia—and as received in Australia the reports of what Russia did were a mark of the generous spirit of their British allies as well as of the quality of the Russians —there were no disappointments. The Red Army always did better than had been hoped.

Although the acquisition of the Soviet Union as an ally was a heartening event, it did not turn out to be as strong a unifying force in Australia as might have been hoped. The hesitations of those who had found reason to suspect Russia were only gradually overcome. The support which the extreme Left was now ready to give to a war against Germany turned out to be based on its own interpretation of events and not on an Australian patriotism.

Phrases now used publicly by Communists became almost identical with the exhortations they had been resisting. "Our country faces the gravest hour of its history . . . Our survival as a nation depends in the end on the outcome of the world war, on the victory of the democratic powers over the Fascist Axis as a whole . . . . Therefore we are equally vitally concerned with the great struggle now proceeding towards its climax in Europe . . . . Victory will be ours. The future belongs to free peoples!" Such phrases on a leaflet signed by L. L. Sharkey and J. B. Miles, Communist leaders, might have been taken from any of a dozen speeches by Cabinet ministers whom they had been roundly condemning for two years past. Feelings which the peril of Britain and of Australia had not aroused had been called forth by the extremities of the Soviet Union. Those phrases were to have various meanings in the succeeding months. Before the end of the year they meant a campaign for the immediate opening of a second front in Europe and even support for conscription for overseas service.[3] They did not mean, however, either support for the Australian Government or identity of objective with the Australian Labour Party. The attitude of militants to the Government was expressed as follows by E. Thornton, Federal Secretary of the Ironworkers' Union: "Only a complete change in the type of government now operating in Australia, the restoration of democracy, and a new attitude towards the big industrialists on the one hand and the workers on the other will bring about any fundamental change in the policy pursued by the left wing of the Labour Movement". B. Chandler, secretary of the New South Wales State Labour Party (Hughes-Evans Group), which had been discredited by the overwhelming success of the Official Labour Party led by McKell at the State

[3] The *Sydney Morning Herald* reported as early as Dec 1941 that at a meeting of the New South Wales State Council of the A.L.P. militant unions were refusing to give unqualified support for the anti-conscription policy of the Labour Party. They said that if Russia was to be assisted, Labour policy should be elastic and should provide for the possibility of support for conscription.

elections in April, said: "It is essential for the defeat of Nazism that Labour Governments should be elected in all countries. Because of this, our attitude to the Churchill and Menzies Governments remains the same".[4] A greater boldness in demands by the militant unions and an organised campaign to lift the ban on the Communist Party were two of the results immediately felt in internal politics after the invasion of Russia.

There was a strong tendency, too, to use the newly-recognised merit of the Soviet Union as a stick with which to beat the Australian Government. For example, in a pamphlet on socialist Russia issued by the Labour Council of New South Wales to describe the new ally to Australian people, the secretary of the Council, R. King, argued in the foreword: "The entry of the Soviet Union into the war as an ally of the Australian and British peoples makes it all the more necessary to secure a Federal government in Australia which is really representative of the Labour Movement, and in tune with the progressive aspirations of the people for a new order of society". The praise of Russia implied criticism of the Australian regime. There were no profiteers in Russia. The workers were better off in Russia. The Soviet worker had every incentive to work longer in wartime because he was not "robbed of his pay" when he got it and he was defending the world's best labour conditions. Unemployment had been abolished in Russia. Women had been emancipated from poverty and household drudgery and youth had been given opportunity. Russian farmers had been freed from the grip of the banks. "The Soviet farmer no longer relies on export markets for his products. His market is guaranteed by a continually rising standard of living among the people of the U.S.S.R."

The implication was that Australia was less happy. Praise for an ally and an identification of that ally alone with the people's struggle against "fascism and imperialism" led to a direct attack on the government of Australia. "We must fight for full aid to Soviet Russia. We must see that these people do not succeed in switching the war by helping German fascism against the land of socialism. We must fight for the defeat of the Menzies Government in this country. Only a government really representative of the working people of Australia can be trusted to assist the workers of Soviet Russia."[5]

Within the Labour organisation, too, the new situation made it more difficult for party supporters to see the issues of war simply and clearly. There had always been within the party a strong representation of Roman Catholics. They did not form a distinct group, for some could be found at the centre and some to the left, yet, in certain political matters which touched the fundamentals of their religion, the practice of their religion necessarily influenced their political conduct. Communism was one such matter and Communism meant Russia. Furthermore, since 1936 at least, an intense factional struggle had been going on inside the party between the left wing and the centre; now, just when the authority of the centre

[4] Reported in *Sydney Morning Herald*, 24 Jun 1941.

[5] Jack Lindsay, *Socialist Russia. A New Social Order.*

had prevailed, the left found hope and reinforcement for their efforts to regain control. The centre was called to maintain its authority. The *Westralian Worker,* while welcoming Russian help, spoke more bluntly about the Communists than any of the so-called capitalist press:

> It is probable that as a result of Hitler's attack on Russia the Australian Communists will now be found supporting Australia's war effort. But if this is the case, it will be because they are helping Stalin in doing so. Their attitude has been that the Australian democracy was not worth fighting for, and the contempt into which this attitude brought them will not be lessened if they now claim that the Australian democracy must fight for the preservation of the Stalinist dictatorship. Communism, whatever its advocates, is a doctrine that deserves the contempt of every real Australian.[6]

When the newly-activated Friends of the Soviet Union arranged for a rally in the Sydney Domain on Sunday, 29th June, the State Executive of the Official Labour Party rejected an invitation to send a speaker. Under Australian and Soviet flags speakers at the rally exhorted a crowd, estimated at 11,000 by the police and at 40,000 by the organisers, to give aid to Russia. Motions of sympathy and aid for Russia were carried and an appeal for "loans for our new ally" brought in showers of coins and handfuls of notes. A good deal of the speeches was devoted to attacking "Nazi sympathisers", "anti-Soviet" and "repressive" elements in Australia and the Menzies Government in particular. Without overlooking the motions of sympathy and the collection of currency, the most direct effect of the rally was in the views it expressed against the Australian war effort under the existing Australian Government. When the Australian Soviet Friendship League was revived, for the stimulation of cultural relations with the Soviet Union, the Victorian Central Executive of the Australian Labour Party, taking the view that it was only the old Communists in a new form, declared that "members of the A.L.P. may not become members nor participate in the activities" of the League. The Victorian action was followed in September by a unanimous resolution by the Federal Executive of the Australian Labour Party, which describes moderately the situation that developed after the end of June.

> (a) This meeting of the Federal Executive of the Australian Labor Party calls public attention to the attempt of members of the Communist Party (to which our attitude is one of hostility) to capitalise for their own purposes the magnificent effort of the Russian people.
>
> (b) Our attitude to the Communist Party's "Aid to the Soviet" is one of warning and suspicion. We warn members of the A.L.P., those assisting Communist organisations, and the public generally, against Communist subsidiaries, which have purposes of their own to serve.
>
> (c) We declare the Australia-Soviet Friendship League to be dominated largely by persons having political objects contrary to the Australian Labor Party, and, therefore, no member of the A.L.P. can become, or continue to be, a member of the said League or other kindred organisation similarly dominated and retain membership of the A.L.P.

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[6] *Westralian Worker,* 27 Jun 1941.

For defying the ban and speaking from a platform of the League, Blackburn was expelled from the party in October after more than thirty years' membership. It was clear that he was impelled to this defiance not for love of Communism but because of his views on civil liberty.

The Labour Party temporarily overcame its own internal problems by the resolution quoted and attendant disciplinary action. Other effects were felt in the nation at large. Attacks were made on Curtin and his close supporters for the measure of cooperation they had accorded to the Menzies Government and this agitation compelled the Leader of the Opposition to think less of cooperation and more of power. Support for the demand for an unlimited war effort became confused in meeting the demand to establish a "workers' government"—whatever that might mean.

Moreover the new situation tended to throw up issues in which the distinction between what was popular and what was vital could not always be made. One such case was that of Ratliff and Thomas, who had been detained under National Security (General) Regulation 26. Before 22nd June they were not regarded as being in a different case from other internees, although members of the Advisory War Council had been fully informed of the matter, but a fortnight or so after 22nd June, when they had professed a change of heart and started a hunger strike to obtain release, they became martyrs and the subject of public agitation. Out of that agitation came controversy in which those jealous of civil liberty were carried along and gave reinforcement to those more obviously interested in a demonstration against the Government.[7]

The invasion of the Soviet Union by Germany helped to make clearer to Australians the dominant element of nationalistic aggression in the war and to end some of the uncertainties about the course which the war might take in Europe. Gradually, too, confidence grew in the total strength of the forces opposed to the Axis. The turn of events added, however, to the confusion of the internal political scene in Australia, and brought new uncertainties regarding the probable course of events in the Far East. The invasion did not, of course, originate or contribute anything new to the Australian political situation, but rather interrupted and complicated the struggles which Australian parties and the Federal Parliament were making in an attempt to overcome defects in the Australian war effort due to causes solely within the field of Australian politics.

The external manifestations of this weakness have been looked at in earlier chapters—the disunity in the Government parties, the contests between factions within the Opposition, the political inability to embrace all-party government, an indeterminate election, a continuance in press and parliament of unrestrained criticism of the Government, even on matters of minor importance, an unwillingness to part with peacetime benefits or forego possible wartime advantage. A number of these manifestations of weakness speak of the strength of democratic practice in

[7] See Appendix 7, "The Case of Ratliff and Thomas".

Australia. They also speak of its inflexibility. Strong on the rights which democracy accords to various parts of the community, Australians had not yet faced the exceptional demands which war made for unity, authority and sacrifice.

By the end of July 1941, in spite of the momentary lift in June, all the political weakness within Australia was coming to express itself in the single fact that the Australian Government did not possess and was unlikely to gain the full confidence and the united efforts of Australians. It is possible to speculate on many causes. A glib contemporary explanation was that the Prime Minister was "not the man", or that the Government was "weak". If explanations are to be sought in personal shortcomings the inquiry must spread more widely taking in not only the failure of one man to obtain full loyalty from his supporters or full cooperation from his rivals, but also to the failure of some supporters in a time of crisis to give loyalty and the insistence of some rivals on working to overthrow him. If a government was unwilling to take action because it thought the move would be unpopular or would be resisted, that is evidence of the resistance of the community as well as of the timidity of the Ministry. Besides exploring the weakness or strength of the leaders, it is necessary to look more closely at the weakness or strength of the democracy.

In the middle of 1941 the Professor of Anthropology in the University of Sydney conducted, with the aid of skilled observers, a survey of opinion among individuals and groups selected from Sydney, Newcastle, eight towns of different types and sizes, and a few country districts. This mirror of opinion, the professor said, though small was of good quality. After a close analysis of the opinions reflected, four conclusions were recorded:

> In the first place, very great numbers of our people have to be won over to a sense of urgency and of self-sacrifice. Secondly, the condition from which they have to be converted is only in a small minority of cases apathy. It is much more varied and complex. Thirdly, each one of us must make up his mind what are the moral and political objectives of the war. And, lastly, confidence in our political leaders must be regained. Probably the last must come first, for it is the pre-requisite of a united effort by all people. It is therefore the duty of our leaders to create trust in themselves and for Parliament and political parties to help them do this. They must also show an understanding of the sense of disillusionment, disappointment, futility, distrust, disgust, diffidence and indifference which so many possess with regard to politics and society in general and the war in particular, and they must seek to change these attitudes.[8]

A less scientific study conducted a few months later by the staff of the Sydney *Daily Telegraph*—a newspaper which the detached observer would probably have regarded as being in itself one of the more interesting pieces of evidence of complex wartime behaviour—reached similar conclusions. Members of a special research staff of the newspaper asked 1,500 people in New South Wales, town and country, men and women of all income groups, to answer six questions relating to the war effort and, from their answers, made the following inference:

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[8] A. P. Elkin, *Our Opinions and the National Effort* (1941), p. 17.

1. That most people are satisfied with things as they are—divided parliament, wrangling parties, and all. 2. That most people think we are making big enough sacrifices in putting 15 per cent of our resources behind the war effort. 3. That most people don't think they are called upon to do any more than they are doing—in personal, financial sacrifice, in war work. 4. And this despite the fact that of those who think their standard of living has been lowered, more than half admit the deterioration has been only small. When therefore you ponder what has yet to be done before we achieve even the minimum programme we have set out to achieve, you must see that the greatest problem to be solved in Australia is a psychological one—and that this problem is very great.[9]

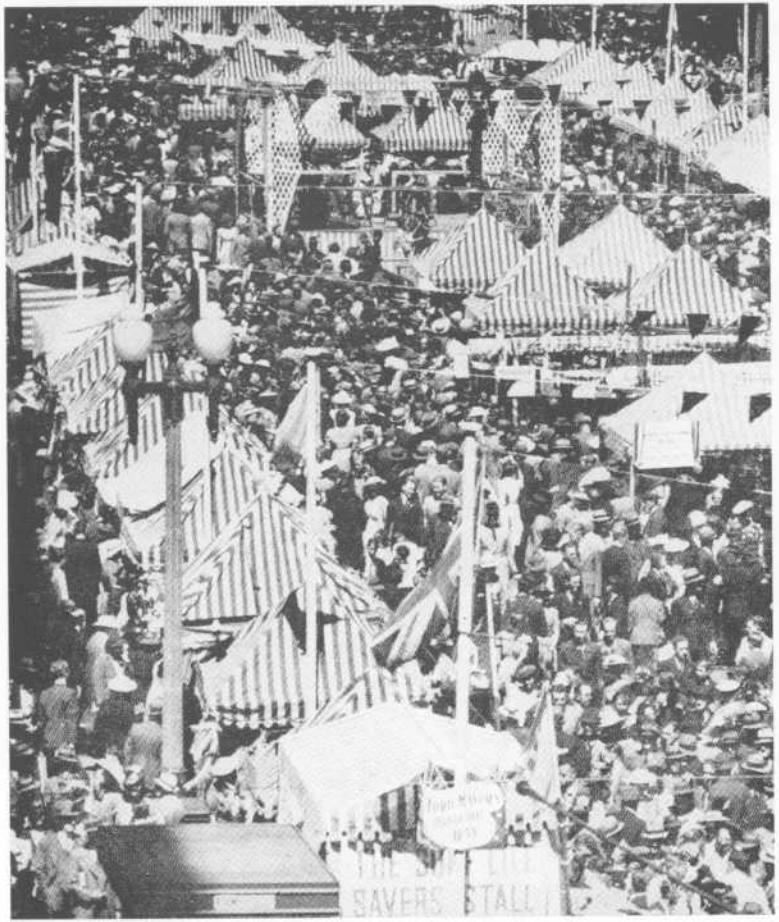
Elsewhere, the same publication spoke of the "psychological and political paralysis" of the country. The Government could not afford to be "tough" for it lacked the numbers and the populace had no will of its own. Equally characteristic of the times was the wholly political nature of the calculation which was being constantly made in Cabinet, Advisory War Council, party meetings and newspaper editorials as to who might be offended. The community's own estimate of itself seemed to be that every section would defend its self-interest. The worker suspected the employer of profiteering and exploitation and could not be reassured. "They see that everything is controlled by the same interests and for the benefit of those interests," said Beasley, repeating in Parliament what Labour members had said more than once to the Government in the Advisory War Council. "Until the men who have been appointed to control these undertakings [i.e. munitions] are removed, and control is restored to independent officers, the workers will continue to doubt the bona fides of the Government."[10] Again and again the theme recurs—lack of trust, an expectation that self-interest will dictate what most people do.

An examination of the various attitudes revealed by contemporary surveys shows that again and again these attitudes were due to ignorance and lack of interest in the matters at issue, uncertainty of motive, lack of social responsibility, and antagonism and distrust rooted in causes that belong to periods earlier than the war. In wartime the nation paid not only for the past neglect of its armaments but for the past neglect of its education and for every incomplete or inapplicable answer it had found to the problems of living and working together as one people in the Australian continent. Every confusion of loyalty, every imperfection of values or defect of judgment, every just and unrequited claim, each little triumph of private greed and every unaccepted duty in the generation before the war stood in the way of an unlimited war effort.

This circumstance not only underlines the importance of education for democracy but points to one of the exceptional problems which may confront a democracy in a time of national crisis—the problem of propaganda both as a question of principle and as a technique. If the country is in a state of mental unpreparedness, the democratic ideal of disseminating information in the confidence that it will be received openly and judged

[9] *You, Me—And This War*, compiled by a Special Research Staff of the Sydney *Daily Telegraph*, Oct 1941, p. 212.

[10] *Commonwealth Debates*, Vol. 167, p. 735.



Sun (Sydney)



Daily Telegraph (Sydney)

The Lord Mayor's Patriotic and War Fund of New South Wales, inaugurated on 13th September 1939, joined similar organisations in other States in January 1940 to form the Australian Comforts Fund. By the end of November the New South Wales fund had reached £38,000; this appeal day in Martin Place, Sydney (and country centres) raised £20,000. During Christmas 1939 20,000 hampers such as these being packed by voluntary labour on 9th December 1939 were distributed to troops.



Sydney Morning Herald

The Commonwealth Salvage Commission was not set up until July 1943 but from early 1940 the collection of scrap metal and of waste paper and rags was stimulated by the need to overcome shortages, and by the activities of interested departments (such as Munitions). Salvage was also collected as a means of obtaining money for patriotic funds. Here the Boys' Voluntary National Salvage Corps, organised by Bankstown (Sydney) Municipal Council, parades on a Saturday morning with its first loads of waste. (July 1940.)



Daily Telegraph (Sydney)

Air raid precautions for civilians. Early ideas about civilian defence were concerned chiefly with combating possible gas attacks. Demonstrations to civilian audiences occurred as early as September 1939.



Daily Telegraph (Sydney)

First aid classes for civilians were conducted by numerous organisations. Here St. John Ambulance officers instruct a class at Red Cross Headquarters, Sydney, 7th September 1939.



Sydney Morning Herald

Air raid shelters varied in elaborateness from the fully equipped "post" of an energetic warden to the simple slit trench dug in the back garden. In Sydney Domain demonstration shelters were dug in July 1940 as a guide to those who wished to make their own; by the middle of 1941, though still in position, these demonstration shelters were closed by barbed wire barricades as a precaution against vandals and unauthorised use.



Daily Telegraph (Sydney)

At Bellevue Hill, Sydney, in November 1940 a night rehearsal tested the A.R.P. organisation. Under the guidance of an ambulance officer a boy scout acts as a casualty for civilian first aid trainees, and a member of the National Emergency Services (in navy uniform and cap) stands by.



Daily Telegraph (Sydney)

Military forces combined with the National Emergency Services in a daylight raid rehearsal at Pyrmont, Sydney, in November 1940.



Sydney Morning Herald

A decontamination squad rehearses at Pyrmont, November 1940.



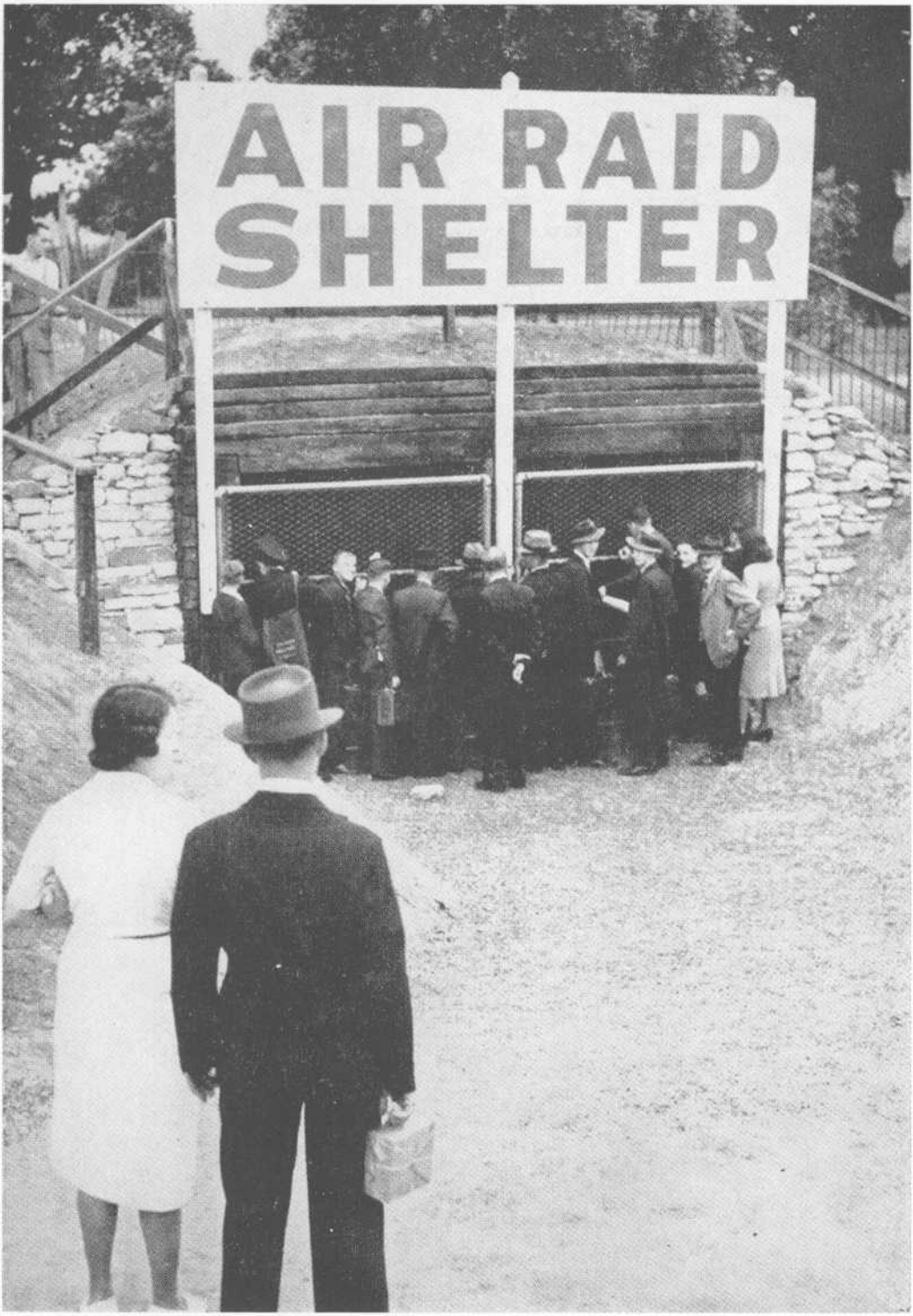
Daily Telegraph (Sydney)

Existing structures suitable for public air raid shelters were surveyed and notices erected. The underground railway station at Town Hall, Sydney.



Sun (Sydney)

Unfinished construction on the underground railway, Sydney.



Daily Telegraph (Sydney)

A shelter in Hyde Park, Sydney, closed, as were most of the public shelters, as a protection against vandals or misuse.

objectively and that the people themselves will make up their minds may not be attainable. Yet there is objection in principle either to regimenting the people or to subjecting them to a calculated and intensive propaganda. Is there any quick-acting substitute for years of sound education? Is it possible to build quickly a confidence that should have rested on a generation of social justice and political honour? Can a Ministry of Information supply ready-made an understanding that should have grown steadily during years of diligent performance of the responsibilities of citizenship? Can an information policy ensure that the whole country realises the danger, sees the nature of the effort required, and gains enough confidence in its government to make the response?

Professor Elkin[1] commented on the need for "a well-directed campaign of inspiration and of education in the war and its implications" by means of press, radio, churches, cinema and public meetings. No such campaign had been undertaken. Propaganda was still under suspicion in Australia. The Department of Information, constantly under criticism, was certainly not attempting it. With Foll as Minister since December 1940, it had attended to the straightforward duties of short-wave broadcasts overseas, monitoring of foreign broadcasts, publicity censorship, preparation of hand-outs, pamphlets, clip-sheets, special articles and pictures for newspapers, and governmental advertising. It conceived its role to be to disseminate within Australia information about the war effort and to counter enemy propaganda. Its expenditure had grown from an original estimate of £22,000 a year to over £250,000 a year and its staff from the original score of men to over 200, but there are indications that it was tending to make activity an end in itself. It was constantly justifying itself with monthly totals of the number of inches of newspaper space occupied by its handouts but it is almost impossible to find evidence that the department knew clearly what it was trying to do except to serve a general purpose of handing out information about the war.

In becoming a larger and almost wholly professional organisation the department had also set up between itself and the public that strongly marked line that divides the official from the people. The original plans of Gullett for a group system may not have worked well in all States—though it would appear that in some States the groups worked much better than Gullett's successors ever gave them credit for doing[2]—but they did represent a democratic attempt to draw the people themselves into the task of building a war effort on an understanding by the people of what the war was about. Foll abolished the group system in March and consequently in the middle of 1941 the branches of the department in the various State capitals were closed as being no longer necessary. There were more broadcasts, more clip-sheets, more hand-outs, more bulletins, and more people to write and deliver them, but the department appeared to be having less effect.

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[1] A. P. Elkin, Clergyman of C. of E. Diocese of Newcastle NSW since 1915; Professor of Anthropology, Univ of Syd since 1934. B. West Maitland, NSW, 27 Mar 1891.

[2] For example, in Western Australia. See *West Australian*, 13 Mar 1941.

The department was directing propaganda to countries overseas in order to answer enemy propaganda, give counter-propaganda and extol Australia to her neighbours. It was giving Australian information and photographs about the fighting and the war situation so far as it could do so without disturbing existing commercial enterprises for giving news and views and pictures, but its domestic activities were unenterprising. An officer lent by External Affairs gave background guidance to editors on the foreign outlook, but no one gave similar regular conferences on the home situation. There were radio commentators in plenty to explain all the ins and outs of German strategy but only the occasional "pep talk" in general terms regarding the needs and the complexities of the Australian war effort. Nor does it appear that any constant, skilled and well-organised attempt was made from the departmental side to find out exactly the attitudes or needs of Australian people, and, after the disbandment of the groups, the Australian people were not drawn into their own business of national morale. The department was working wholly from the point of view of the administration and not from that of the people.

One constant characteristic of its information was cautiousness, and the degree of cautiousness was in direct ratio to the importance of the question at issue to the Australian people. At the time of the department's conception its parents had given assurances to the world that it would be born a neuter and from its birth it had been under close and suspicious scrutiny. Behind its very incapacity lay an honest faith in the idea that it was undemocratic to attempt to shape the minds of the people or regiment opinion, and that a government should not use the machinery of government to do its electioneering—an idea which can also be illustrated by the scrupulous allotment of equal time to party leaders for broadcasting over national stations during election campaigns, and by the distinction observed between the sort of work that is customarily done by the public relations officer on the personal staff of a Minister to enhance the reputation of his master and the impersonality of the work of the Department of Information in its early years. In practice, this view of the department meant that when it did go campaigning its target was either something vague and general such as an increased war effort or the horrors of Nazism, or something of restricted application such as the danger of talking to strangers about the movements of troops and ships. It could not deliberately and with calculation take steps to unite the nation because that would have meant selecting the policies on which the country was to be united. It could not go about inspiring confidence in the Government or underpinning faith in national leadership, for that would have meant declaring a preference among governments and leaders. Churchill was boosted in Australia as a war leader not only because he was great and appealed to the popular imagination but also because he was above local politics and, even in the case of Churchill, there were sections of Australian political opinion who were not happy to see the department build up his reputation.

The difficulties that surrounded the subject can be illustrated by two incidents. When appeals were made to the nation, it was customary to

enlist the aid of Opposition leaders and trade union officers, both because it was thought that was proper and because it was thought effective. In May the department arranged a series of one-page advertisements in daily newspapers to stimulate a more intensive war effort. Each advertisement consisted of photographs of a Cabinet minister and of a Labour leader and a message of equal length from each of them. The cooperating Labour members, including Curtin, immediately drew on themselves the attack of some of their colleagues because they had so acted without the consent of Caucus and because, so it was argued, these advertisements, containing the line: "We speak to you as one", would lead to the inference that there was a political amnesty and thus injure the chances of Labour in the Boothby by-election that was then being waged.[3] In early February 1941, before the Far Eastern scare, Foll announced a national publicity campaign to make Australians "more war conscious and to coordinate voluntary national service efforts". The Deputy Leader of the Opposition, Forde, made a public statement to the effect that Labour members of the Advisory War Council would seek an explanation. Anxiety had been caused in certain quarters, he said, that the propaganda might be of a party political nature, and might be used more in an endeavour to popularise the Government than to carry out "necessary propaganda of a non-party political nature in regard to Australia's war effort, and the capacity of Australian secondary industries to engage in further production".[4]

Labour was by no means unconcerned with the need for exceptional publicity measures to stir the nation, and the Advisory War Council made its own useful suggestions regarding the best way to appeal to the working man, bringing home to him the importance of his contribution to the war effort. Senior members of the party and trade union leaders broadcast and wrote for working men. Yet both Government and Opposition hesitated over positive measures to promote that sense of unity and confidence that was necessary to gain a full response to the call for an unlimited war effort. When one re-examines contemporary leaflets, pamphlets, newspapers and radio scripts, there is no doubt that in 1941 the wage earners in industry and a large proportion of the ordinary householders were subjected to far more persuasive statements to the effect that the Government was bungling, that monopolists and profiteers were making a good thing out of the war and the ordinary man was getting nothing, and that Britain was making Australia bear the brunt of the fighting, than he was receiving information to the contrary. The statements were in general ill-founded. The exceptional lapse was magnified and the normal functioning of government was ignored. Some of the statements damaging to a sense of unity and confidence were apparently subversive in intention but the greater part of them were made by daily newspapers and political leaders exercising their respective functions of newsgathering and public criticism without sound information and without a mature sense of responsibility.

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[3] See Australian metropolitan newspapers of 15 and 16 May 1941.

[4] *Sydney Morning Herald*, 4 Feb 1941.

The fault is not in freedom of speech or freedom of the press, nor is the remedy in limiting or suppressing either of them. Democracy, upholding both, also requires that the people can and will distinguish between the false and the true, and the basic fault was that at this particular crisis in its history Australian democracy did not appear to be able to satisfy this condition, and that none of the agencies of information in a democracy, either public or private, was doing much to assist the people in carrying out this duty, while some were actively misleading them. Added to this the difficulties were aggravated by some of the circumstances peculiar to the situation. Throughout the first two years no one in authority had a clear idea how long the war would last, and the nation was only just beginning to plan on the assumption that it would not be over until after 1943. The people did not know whether or not war would come to the Far East. No clear answer had yet been found to the question whether Australia's best contribution to the war would be to fight or to produce. By political chance the Government was too weak in Parliament to be able to make unpopular demands. For all the fears, the war was still remote.

CHAPTER 10

A DIGRESSION ON MANPOWER AND RESOURCES, NOVEMBER 1940-JULY 1941

1—THE PROBLEM TAKES SHAPE

MANPOWER questions are dealt with fully in other volumes of this series[1] but, because they forced themselves into the forefront of politics during 1941 and because they appear to have been at the heart of the problem of adjustment with which Cabinet struggled, both then and later, it appears necessary to refer here to certain aspects of the subject.

As already indicated, the 1940-41 Budget, approved in November 1940 and applying the decisions of June 1940, demanded a major diversion of resources to war purposes. That diversion had not taken place as thoroughly as had been hoped. There were many reasons—defects in organisation and lack of trained administrative staff; resistance by sectional interests; dependence on key materials or equipment ordered from overseas; limits set by shortages of coal, transport and skilled workers; the rise in spending by civilians as a result of the higher expenditure in Australia and the consequent growth of non-essential industry in spite of attempts at control through capital issues; hesitation by the Government—a hesitation which was undoubtedly affected by the political instability—to impose on the country all the measures which it might have thought necessary; the lingering concern over questions such as "unemployment", "maintaining the economy of the country" and "sound budgetary practice" which every day were becoming less and less relevant.

The Budget may again be used as a barometer. Although the demands and exigencies of war had greatly increased during the financial year 1940-41, there was a considerable lag in expenditure within Australia. The position at the end of the financial year, on 30th June 1941, was that £159,059,000 had been expended out of a total provision of £182,489,480. The lag was almost wholly in respect of construction, arms and ammunition. The Navy had an unexpended balance of £1,676,037 for naval construction and £1,387,314 for reserves of stores; the Army an unexpended balance of £32,446,000 for arms and ammunition and £1,315,000 for buildings and works; the Department of Air had an unexpended balance of £3,761,788 for ammunition and explosives, £2,211,683 for aircraft, and £1,649,000 for buildings and works; the Department of Munitions had an unexpended balance of £1,062,697 for machinery and plant.[2]

The expenditure on transporting and maintaining the A.I.F. overseas, on the expansion of the militia, and on the R.A.A.F. pay and allowances had exceeded the Estimates.

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[1] S. J. Butlin, *War Economy 1939-42* and *War Economy 1942-45*.

[2] War Cabinet Agendum 46/1941, and Supplements 1, 2, 3 and 4. Minutes 903 of 18 Mar 1941; 1047 of 9 May; and 1320 of 13 Aug 1941.

Month by month during the year it had become clearer that the problems associated with the war effort rose to an apex in manpower. During November and December 1940, members of the Advisory War Council were given information to the effect that a limit was being approached where Australia could not increase the numbers of the expeditionary forces without dangerously depleting manpower needed for local defence, that the defence of Australia hinged on the production of equipment; that the munitions programme was suffering, apart from the shortage of machine tools, from a shortage of skilled labour; that increased demands would be made on Australian production both for the Eastern Group Supply Council and local needs; that the registered unemployed at the end of 1940 were 70,583, compared with 112,704 at the outbreak of war and that most of them were unskilled.[3] All the information pointed to the approaching crisis in manpower and the need for major adjustments in industry. For some months, however, the liveliest concern of the non-Government members continued to be with fear of unemployment rather than with need for manpower.[4] The Treasury was worrying about how to find the "money"; other experts were worrying about how to dispose of export surpluses so as not to put farmers out of business and, at the same time, how to maintain or increase production of farms so as not jeopardise "the economy of the country".

During the absence of Menzies overseas the War Cabinet under Fadden made two false starts in the handling of manpower and resources, thereby adding to its own education but making little effect on the problem. On 12th February 1941 War Cabinet, being presented with a recommendation by the Minister for Munitions for the construction of additional factories to implement the recommendations of the Eastern Group Conference for the manufacture in Australia of types of arms and ammunition in addition to Australian requirements, accepted the view of a cautious Treasury that the whole of the munitions programme needed "revision and consolidation" before any decision could be made about extending it. The Treasury, at that stage of the war, found the addition of every million pounds rather alarming and pointed out that the A.I.F. was also wanting to add £20,000,000 to its munitions requirements and the C.M.F. wanted an extra £65,000,000. Accordingly, an inter-departmental committee under the chairmanship of Sir George Pearce was appointed to examine the question.[5]

Reporting towards the end of April on those financial questions in which the Treasury was chiefly interested, the Pearce committee also drew attention to the fact that the £183,000,000 programme of production up to 30th June 1942, together with the additional demands from the Eastern Group Supply Conference, raised questions of manpower, machine capacity, and raw materials. While it had not been able to make any comprehensive

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[3] Advisory War Council Minutes 25, 29, 38 and Agendum 7/1941.

[4] This outlook continued at least until May 1941. When the McKell Government reviewed its achievements in New South Wales during the war, one of its starting points was that when it took office "the problem of widespread unemployment remained unsolved". (*Five Critical Years, Story of the McKell Labour Government in New South Wales, May 1941-May 1946* (1946), p. 2.)

[5] War Cabinet Minute 777, 12 Feb 1941.

review of these factors, the committee thought great difficulty would be experienced in finding the people to carry out the projected programme. Although the starting point of the committee's work had been "money" and the whole Treasury emphasis had been "the necessity for the review of progress in terms of expenditure as well as potentialities of production", and although the committee appears to have tinkered with the notion of finding a "tested formula upon which the money value of requirements can be readily translated into terms of labour", its practical sense cut through a lot of figures to "the opinion that if it is desired to implement the full projected munitions programme, build ships and tanks, and make a substantial contribution to the manifold requirements of the Imperial forces, it can only be accomplished by the diversion of such of the national effort that is now being absorbed in meeting the ever-growing demands of the civilian population caused by the high ratio of employment and resultant increased spending power". The Committee considered that, to be effective, "the diversion would need to be of a major order".

At a meeting on 30th April 1941 the War Cabinet had before it, in addition to the Pearce committee's report, "Some Notes on Increased War Effort" which had been prepared by the Financial and Economic Advisory Committee, and a letter dated 21st April to the Acting Prime Minister from the Minister for the Army, Mr Spender. Both of these additional papers had been previously considered at a meeting of the Advisory War Council in Sydney on 23rd April.

The notes prepared by the Financial and Economic Advisory Committee, commenting on the Pearce committee's report, said that the situation demanded Government action, the public were eagerly awaiting it, and the time was ripe for general sacrifices by the community. The war programme should be reviewed in the light of the latest information regarding limits to productive capacity, actual and potential. The Financial and Economic Advisory Committee made its own rough estimates of the manpower requirements and manpower available and drew the moral: "We cannot meet unlimited enlistments and unlimited demands for munitions and war supplies. The urgency of each must be assessed". The committee added: "One thing stands out clearly—the time has arrived when we must face up to restriction of civil consumption. At the present time the volume of employment and rates of wages have created a spending power which is giving rise to a civil consumption of such a rate and character that the war effort is being severely curtailed because an ever-increasing number of workers is being absorbed in meeting this growing demand for consumption goods".

The following steps were suggested:

(a) Immediate and double time propaganda by the Department of Information to educate the public.

(b) A general authorisation to the Contracts Branch of the Supply Department to place orders for overseas war supplies, even though they involve restriction of civil supplies.

(c) The Minister for Supply to explore whether the rationing of certain items should be introduced.

(d) Further restrictions on imports of non-essential goods.

The notes also stressed the desirability of establishing an authority "to keep in constant touch with war demands in relation to capacity, to prevent any part of the programme getting out of balance, to obtain maximum results and to see there is no waste of effort".

The letter from Spender reported the deficiencies in equipment suffered by the army and declared that the fundamental problem behind the deficiencies of equipment was "the mobilisation of manpower and industrial resources". The Minister praised what the Manpower Committee had done. It had handled 530,582 applications since war was declared and made 47,693 reservations, thus stopping that number of skilled men "from being drained haphazardly away into the various services in capacities presumably less useful to the country". But the scope and functions of the manpower organisation must be widened as the military and economic effort of the nation moved towards its peak. It was now necessary to go beyond the stage of conserving manpower and face the problem of directing and redistributing manpower to approved national uses—a phrase which eventually found its way into the Menzies broadcast of 17th June.

> This is a duty from which we have all doubtless flinched away because of its delicate political character, and because there is doubt whether the nation is yet ready for such action (Spender continued). But sooner or later, as the war goes on, the problem must be faced and dealt with resolutely, even if it involves a risk that the ugly and inaccurate name of "industrial conscription" will be applied to measures which are, if people but knew, as necessary for their ultimate protection as any arm of the nation's defence. The essence of what we have to do is not conscript workers, but cut down to the bone the use of machines and manpower for luxuries, non-essentials and anything not directly concerned with our war effort.

The minister recommended that the Manpower Committee be asked to furnish an appreciation of the manpower position.

The War Cabinet acted rather impetuously, as it sometimes did under Fadden, and, overlooking existing instrumentalities, decided on 30th April[6] to appoint a committee to consider the proposals contained in the notes from the Financial and Economic Advisory Committee, the letter from the Minister for the Army, and the recommendation of the Pearce committee that the munitions programme should be reviewed and reports made on stocks and supplies of explosives, manpower requirements, specifications, and the reduction of the variety of munition requirements. At the same time approval was given to various recommendations of the Pearce committee to facilitate the carrying out of the munitions programme.

The new committee, it was intended, should be composed of "a leading industrialist", a representative of the "industrial trade unions", and representatives of each of the three services and of other Commonwealth departments or instrumentalities which were considered to be primarily

[6] War Cabinet Minute 1009.

concerned. It was intended to have power to appoint sub-committees. A preliminary plan of its organisation, prepared for the War Cabinet, provided for sub-committees on manpower, equipment, civil industries and imports and a full-time secretariat for the principal committee. It was to prepare recommendations on how to meet the problems of defence requirements and the policy in regard to essential and non-essential production.

Nothing came of it all. There was stir and bustle at the time. But existing instrumentalities do not like to be overlooked. They were working at their own plans. The idea slowly faded away. Eventually a submission to the Full Cabinet on 28th July wrote its epitaph, saying that the proposal seemed "singularly ill-adapted to its purpose". By that time new machinery had filled the need.

The second false start on the manpower and resources question was made when Fadden informed the War Cabinet on 14th February[7] that it was proposed to appoint a parliamentary committee with the following terms of reference:

(1) To enquire into Australia's resources of idle or partially employed manpower and to examine the extent to which they could be utilised for the manufacture of munitions;
(2) To enquire into the practicability of using for the manufacture of munitions, equipment in manufacturing establishments which are not now engaged in the manufacture of munitions;
(3) To report to the Government the results of such enquiry.

The committee would conduct this survey in each State and would confer with such Commonwealth and State departments and organisations whose activities were closely related to the questions under review. In a subsequent press statement Fadden said:

> It is intended that those conducting the survey should find out to what extent it is possible to link such men and resources with productive work which will be of help to the nation in its war programme. If it is possible to effect changes which will bring the whole of our industrial resources on to a wartime basis Australia will have reason to be satisfied that it has not left neglected potential sources of power.

As an instrument for making a survey and expertly examining the results of such a survey, the committee was not well-planned. As a means of silencing critics, promoting cooperation and stimulating interest in the problem it may have had something in its favour. Its membership was arranged on the recommendation of the Advisory War Council.[8]

The committee was composed of two Government supporters, Messrs Spooner (U.A.P.) and Abbott (C.P.); two Labour members, Messrs Holloway and Drakeford; and one Non-Communist Labour Party member, Mr Rosevear. Spooner was appointed chairman and Holloway vice-chairman. When the Prime Minister returned and found the committee in being he observed that it was composed of two members from the Government

[7] War Cabinet Minute 809.
[8] Advisory War Council Minute 150, 20 Feb 1941.

side of the House who had been critics of the Government and three members of the Opposition, and noting that press reports were already forecasting critical conclusions, he also observed to his colleagues that it appeared to be a rather risky course to constitute a committee that was loaded against the Government. The creators of the committee defended their action by saying that it had led to a diminution of complaints against the Government about manpower and resources.

The committee started work on 21st February and presented its first interim report on 8th May 1941 after having visited Sydney, Melbourne, Lithgow and Canberra, as well as certain factories and annexes engaged on wartime production, and taken evidence from government officials, representatives of the fighting services, directors of the Ministry of Munitions, manufacturers, trade union officials, unemployed organisations and others to the total number of 112, in the intervals between attending sittings of Parliament.

The committee found that the latest official registrations of unemployed totalled 25,987 in New South Wales and 4,244 in Victoria, but reached its own conclusion that the true figures were not less than 30,000 in New South Wales and 6,000 in Victoria. If the present proposals for munitions manufacture went according to plan in the financial year 1941-42 it should be possible to employ progressively all unemployed manpower, provided that there was no substantial diminution of employment in non-war industries. In the meantime, as a short-range plan, some of the unemployed should be taken up for the construction of strategic roads and other works. If not, the construction of these works would eventually be done only at the expense of the munitions programme. A series of projected roads in the Newcastle and Sydney areas was listed and the committee recommended that these be authorised and an advance made to the construction authorities, with whom the army should be permitted to deal direct so as to avoid delay in starting the work. They also recommended a revision of the planning of the work on the Sydney graving dock so that it might be completed much earlier than contemplated.

Other proposals were for a munitions annexe at Broken Hill to absorb local manpower and the extension of the use being made of State railway workshops for munitions works so that they might engage on such major projects as tank and gun production.

After assembling figures of manpower requirements for munitions and the services, the committee reached the opinion that before the end of the year 112,528 men would be required—81,120 for munitions and 31,408 for the forces—including over 50,180 semi-skilled and unskilled men for munitions. In making this calculation they admitted that they had made no provision for the additional requirements of private industry in the manufacture of the material for the war effort. They then proceeded to make recommendations in regard to working hours and shifts in factories, dilution of trades to the extent necessary to meet the requirements of war production and the extension of a system of training for factory workers. They criticised the administration of labour matters and proposed the

creation of a Co-ordinator General of Labour and Technical Training assisted by an advisory board composed of an employers' representative and an employees' representative and endowed with authority over all organisations both Commonwealth and State in regard to "the administration of employment, unemployment, technical training and industrial relations". Only by this means, the committee believed, could the manpower of Australia be welded into "an effective organisation to equip the factories and fighting services". This section of the report has much less of the character of an investigation or a survey than an attempt to build up a case derogatory to the Department of Labour and National Service, the Manpower Committee of the Department of Defence, and the State Departments of Labour.

A final section dealt with the housing and welfare conditions for munition workers, chiefly at Lithgow and Maribyrnong.

The report lays itself open to criticism because one set of recommendations is based on the expectation of a surplus of labour and the other set of recommendations is based on the expectation of a shortage of labour, including an early demand for semi-skilled or unskilled workers much greater than the number of unemployed. The committee gave nothing whatever except its own unscientific opinion in response to the request to survey the actual resources of manpower in Australia. Passing beyond its terms of reference, it criticised the administration for its alleged shortcomings in regard to the Department of Labour and National Service and the housing of munitions workers and left an impression that it was more interested in criticism than in investigation. Its work probably had chief value insofar as it drew attention to the existence of a problem.

The report went first to the Advisory War Council, where it was commended by the non-Government members, and passed to the War Cabinet which, having received comments from departments on it, simply decided that it would not be published.[9]

A second interim report was presented by the committee on 31st May, after a visit to South Australia. It gave an account of conditions in that State and added various general recommendations regarding housing for munitions workers, control of factory production, use of factories in country towns, government buying and contract arrangements, the cost-plus system, railway workshops and technical training. A more balanced document, the second report also had little of the character of an enquiry into manpower and more of the character of an essay on the general planning of the Australian civil war effort. It was remitted to the new Department of War Organisation of Industry for observations, and languished there. After the reconstruction of Cabinet the committee membership was changed to Messrs Coles (chairman), Drakeford, Duncan-Hughes[1], Rosevear and Sheehan[2] and Senator Sampson[3] and presented a

[9] War Cabinet Minute 1209, 11 Jul.
[1] J. G. Duncan-Hughes, MVO, MC. (1914-18: Maj RFA.) MHR 1922-28, 1940-43; Senator 1931-38. Barrister; of Adelaide; b. Hughes Park, SA, 1 Sep 1882.
[2] T. Sheehan. MHR 1937-55. B. Sydney 14 Apr 1891. Died 26 Mar 1955.
[3] Col B. Sampson, DSO. (Served in 1st AIF.) Senator 1925-47. Farmer; of Newnham, Tas; b. Launceston, 30 Mar 1882.

third interim report on 18th September 1941 after a visit to Queensland. This report was also remitted to the Department of War Organisation of Industry and also languished.

In the meantime, the groundwork had been laid for a more practical approach to the problems. In response to its enquiries, the War Cabinet was furnished at its meeting on 9th May with statistics on the manpower available for war industries. The figures supported a conclusion that "broadly speaking the point has now been reached at which there is very little available labour competent in skill or capacity . . . What amount of labour can now be made available from non-war industries depends on how far non-war industry can be curtailed".[4]

Having taken note of the statistics, the War Cabinet expressed the view that the Reserved Occupations List was in need of revision in that it provided for too wide a field of exemptions, particularly in the younger age groups; the Manpower Committee was directed to give early consideration to a revision of the list and to submit a report to the War Cabinet.

The criticism of the Reserved Occupations List came from two sides. One criticism was that the list kept men out of the navy, army and air force. The other was that more reservations should be made for industry. As for the second claim, the Manpower Committee saw that an essential first step was to decide which industries were essential and which were unessential. War production was at present being hampered not because the list did not reserve enough skilled men, but because some skilled men who had been reserved were not engaged on war work.[5]

On 26th May the Minister for Labour and National Service, Mr Holt, submitted a memorandum to the Cabinet summarising the position. The requirements of the expeditionary forces for a four years' war from 1st July 1940 were 410,000 men for the expeditionary forces and 210,000 for the home defence forces. There were available, after deductions had been made of the numbers estimated to be in reserved occupations or medically unfit, and after provision had been made for an expeditionary force of 410,000, a reserve of 450,000 men available either for home defence or for increasing the expeditionary forces.

> It seems clear (the memorandum went on) that we have sufficient manpower potentially available to cope with present commitments, and that the Reserved List of Occupations though it may be possible to improve it in details, is not standing seriously in the way of the raising of sufficient men for the armed forces. Nevertheless it is obvious from general considerations that in the future we shall be faced with (a) more serious competition for bulk manpower; and (b) an accentuation of the competition already experienced for men with special skill and experience.

Taking this view of the stage reached in the handling of manpower, the Department of Labour and National Service raised the question whether the manpower organisation should be revised and suggested the creation of a Manpower Priorities Board with the following functions:

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[4] War Cabinet Agendum 164/1941.

[5] Report by Manpower Committee 28 May 1941.

1. To review the whole field of Australian man and woman power, and to be in a position at all times to lay before Cabinet information as to the effects, in terms of manpower of all departmental proposals made to the War Cabinet and referred to the board for report;
2. To receive and consider reports of manpower priority problems from the Manpower Committee, the Ministry of Munitions, the Trade Union Advisory Panel, and a consultative panel representing employers' interests;
3. To superintend the maintenance and amendment of the List of Reserved Occupations, and to make recommendations in connection therewith to War Cabinet;
4. To assist in advising Cabinet on the *extent* to which restrictions should be placed on non-essential industries for the purpose of conserving manpower.

If this proposal were adopted the Manpower Committee would continue to operate very much as heretofore as "a coordinating committee for service requirements and the administrative agency for dealing with exemptions", and its chairman would be a member of the Manpower Priorities Board.[6]

This agendum was considered by the Full Cabinet on 6th June, after the return of Menzies, and, following its adoption, the Prime Minister announced on 25th July the appointment of Mr Wurth,[7] chairman of the New South Wales Public Service Board, as Director of Manpower Priorities and Chairman of the Manpower Priorities Board. Wurth, whose services had been made available by the New South Wales Government, would be appointed for three months, at the end of which time the arrangement would be reviewed by the two governments. Part of his time would still be devoted to his duties on the Public Service Board. After describing "the general functions of the board", the Prime Minister continued:

> Other important duties to be carried out by the Board include the devising of measures to promote the voluntary transfer of labour from low priority to high priority defence work, and liaison with the State Governments in regard to matters affecting their employees. While the Commonwealth Government is forced to make many calls on the services of State Government employees, it is thoroughly seized of the importance of maintaining essential State services, and is anxious to ensure that the defence needs of the Commonwealth are properly coordinated with the needs of the State Governments.
>
> Mr Wurth, as Director of Manpower Priorities, will maintain liaison between the Department of Labour and National Service and the newly-established Department of War Organisation of Industry. The Manpower Priorities Board will be concerned largely with determining the general manpower requirements of the war economy, while the Department of War Organisation of Industry will help to supply those requirements by effecting industrial adjustments designed to facilitate the diversion of labour from low priority to high priority work.[8]

The creation of the Department of War Organisation of Industry was part of the response to the same set of circumstances. The need for such an authority had long been urged by senior economic advisers but there had been some differences of opinion as to the form it should take, its relationship to existing departments, and the way in which it would work. The intention to create it was announced by the Prime Minister in the

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[6] War Cabinet Agendum 164/1941, Supplement No 3, 26 May 1941.

[7] W. C. Wurth, CMG. (Served in 1st AIF.) Member NSW Public Service Bd 1936-39; Chmn since 1939; Dir-Gen Manpower 1941-44. Of Sydney; b. Mudgee, NSW, 14 Jan 1896.

[8] Press statement of 25 Jul 1941.

broadcast of 17th June, and on the 26th the appointment of Mr Spooner to the new portfolio was announced. Spooner, who had been chairman of the Committee on Manpower and Resources, was a practising accountant, with seven years' ministerial experience in the New South Wales State Government. He had entered Federal Parliament in 1940 with a reputation for business capacity.

On 10th July the functions of the new department were defined as follows:

(a) Surveying civil industry with a view to determining which industries or groups of industries are susceptible of reduction or diversion without impairing the real strength of the nation.
(b) Devising, with the assistance of committees familiar with the industry concerned, ways and means of reducing or diverting any selected industry to war purposes.
(c) Maintaining for this purpose constant contact with the Department of Labour, the Department of Munitions and the Department of Supply, so that the limitations imposed upon civil production will be properly related to the actual current needs of military production.

The problems before the new department were peculiar. The method by which questions might be referred to it had not yet been established. Should it function by clearing up a mess or by preventing one from being created? In regard to the diversion of non-essential industries to war production, the question arose whether the new department would have the functions and the powers to exercise control over industry. The withholding of a permit from a building or the transfer of skilled workers from a factory might have far-reaching effects on other industries and on the employment of great numbers of workers. Should the Capital Issues Board be placed in the new department? Other departments already exercised functions that affected the working of the new department. The Munitions Department controlled resources and purchased their own materials. The Customs Department controlled rationing. The Supply Department let contracts. Was the new department to be only advisory and consultative or would it require to duplicate the staffs already existing in executive departments in order to assist in the handling of various matters?

The neglect to think clearly through such questions as these gravely limited the value of the new department; its administrative organisation took place slowly and it can scarcely be claimed that, under its first minister, it did anything to relieve the difficulties which had prompted its creation.

2—THE STRENGTH OF THE ARMED FORCES

Early in the war decisions regarding the raising of Australian forces were influenced by the shortage of arms and equipment, including supplies from overseas.[9] Now another phase of the question appeared, and the size of the fighting services and the use to be made of them were more directly influenced by the supply of manpower than by the supply of arms and equipment.

[9] See Chapter 5, Section 2. above.

On 30th June 1941 it was estimated that there were about 400,000 men in the three fighting services—a proportion of at least one in four of the Australian male population between 18 and 40 years of age. The question was arising whether Australia could maintain so large a force and whether it were wise to attempt to do so.

On 10th July, after a discussion on manpower requirements of the fighting services and the capacity to meet present commitments, the War Cabinet asked the service and war supply and production departments to prepare statements of their requirements.[1] This review eventually reached the War Cabinet on 17th September and was noted without any action being decided.[2] It is of more interest as a statement of the requirements of each of the war departments than as an analysis of the manpower situation, for so many factors were not recorded and some of the calculations were so rough and ready that it does not give a review that could be accepted uncritically. Broadly, the picture was that the three services, Munitions and Aircraft Production would require a total of 794,029 men and 52,376 women up to 30th June 1943. These figures did not take account of the needs of the Department of Supply, which estimated its own requirements at 4,400 men and 500 women but could make no calculation regarding the manpower requirements of contractors or suppliers of goods and materials. Similarly Munitions made no calculation in respect of the requirements of industries which were producing stores for that department, but guessed that it might be over 60,000.

The demand for 794,029 men was linked with the requirement of 52,376 women. One figure supplemented the other and if more women could be used in munitions and aircraft production a considerable number of men could be released for other services.

On the other side of the ledger, it was shown to the War Cabinet that the total manpower available between 18 and 60 years of age, based on the National Register of 1939, was roughly 1,140,000. The Cabinet agendum showed it exactly as 1,139,023 but its pretension to exactness is comical in view of the way in which the calculation had been made. It is enough to say that the Cabinet had before it some plausible figures which showed more or less exactly what the Services, Munitions and Aircraft Production wanted in order to carry out their existing programmes, an indication of the extent to which the manpower shortage might be immediately eased by the greater employment of women, and a rather less definite indication that these requirements were going to leave very little margin for the industries which were directly serving the war effort and essential civil consumption, or for the export production which the Government regarded as necessary for the maintenance of the national economy. Both planning and control were needed. Some breaking down of normal industrial practice would be imposed by that planning. Some modification of the military commitments might be found necessary.

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[1] War Cabinet Minute 1188, 10 Jul.

[2] War Cabinet Minute 1372 on Agendum 277/1941.

Before that review was made the War Cabinet had decided, on a report from the Minister for the Army, that at the present stage of the war the army's role was to act defensively until armoured forces and equipment comparable to those possessed by the enemy could be built up. This role implied keeping land forces to a minimum consistent with the security of Australia and the vital strategic areas of the Middle East and Malaya. The existing formations of the A.I.F., plus the armoured division, appeared to be the maximum Australia could maintain in view of other commitments, particularly the Empire Air Training Scheme; but so long as the A.I.F. forces were operating overseas they should be fully maintained as regards reinforcements "in accordance with their size and the scale of operations in which they are involved".[3]

One incidental factor was that, as overseas service was voluntary, the Government did not have complete control. It could keep men out of the overseas services but it could only try to persuade them to go in. It was estimated that the requirements of volunteers for all overseas service would total 280,000 men up to September 1942; 322,000 to March 1943; and 369,000 to September 1943, but the rate of enlistment made it doubtful whether the requirements could be met. By March 1943 the supply of reinforcements would be "insufficient to meet existing A.I.F. commitments".[4]

Eventually, after considering various proposals, the War Cabinet decided that, "having regard to the general manpower situation and the prospective rate of enlistments in the A.I.F.", it was beyond Australia's capacity to maintain the existing force and that the A.I.F. should be reorganised on the basis of a corps of three divisions, less one brigade group, but including an army tank brigade and increased establishments; the 8th Division with increased establishments; the armoured portion of an armoured division (the remaining portion being completed by militia units so long as it remained in Australia); plus independent companies, railway and forestry units. This reorganisation should be carried out with a view to changing over to an organisation of a corps of two divisions and an armoured division (at 29,000 men per division) together with an army tank brigade, plus the 8th Division.[5] When a change of Government came the Curtin Ministry affirmed the decision of its predecessor,[6], but on 26th November, following strong representations from Blamey, virtually returned to the former establishment by deciding to reject the army tank brigade, to raise the armoured division wholly from the A.I.F. and to defer "for the present" any reduction in the existing commitment in the Middle East. At the same time, it was considered "inevitable that effect will ultimately require to be given to the previous Government's decision to reduce the number of infantry divisions".[7]

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[3] War Cabinet Minute 1160, 2 Jul 1941, on Agendum 180/1941.
[4] War Cabinet Agendum 197/1941 and War Cabinet Minute 1322, 13 Aug.
[5] War Cabinet Minute 1373, 17 Sep 1941 on Agendum 197/1941, Supplement No. 2.
[6] War Cabinet Minute 1406, 15 Oct 1941 on Agendum 197/1941, Supplement No. 3.
[7] War Cabinet Minute 1520 on Agendum 197/1941, Supplement No. 4.

The commitment accepted by the Menzies and Fadden Governments (and later affirmed by the Curtin Government) if translated into totals of men required, meant that the limit of Australia's capacity of manpower raised by voluntary enlistment for the A.I.F. was considered to be 139,000 (the existing strength) in September 1941; 205,600 in September 1942; and 240,000 in March 1943, and it was possible that these figures might have to be reduced to 185,000 in September 1942 and 215,000 in March 1943. The decisions committed the Government to find over 5,000 volunteers a month for the next eighteen months.

These decisions had been largely influenced by the prospective rate of enlistment and, although they were also represented as being a recognition of the claims of industry for manpower, the fact of the matter is that the lack of eligible volunteers had already set a limit to the size of the A.I.F. In spite of a continuous though perhaps not always intelligent recruiting campaign for the past twelve months the army had not been able to obtain all the men that the Army staff in Australia considered that they needed to maintain the five divisions.[8]

The gross monthly recruiting figures for the A.I.F. show that in the first six months of the war 21,998 men enlisted, compared with 62,786 in the first six months of the 1914-18 war. February 1940, when 217 men offered, was the bottom of the trough. As news became worse the enlistments rose and half of the total enlistments for the first two years of war were made in a period of three months, June, July and August 1940, after Germany had broken through on the Western front and France had fallen. The news of the Dunkirk evacuation on 28th May was followed in June by 48,496 enlistments, the highest monthly total recorded—higher even than the total of 36,575 in July 1915 when news from Gallipoli sent enlistments to the peak for the whole of the 1914-18 war. In October and November there was another fall in numbers and only 1,000 men a month were offering. Enlistments remained low until March 1941, the monthly total jumping suddenly from 2,594 in February to 6,512 in March and 9,875 in May. At the beginning of February the Australians had entered Benghazi; on 19th February Australian forces had landed in Singapore; and—what the army itself thought more significant—news got around of the intention to form an armoured division.

By September, however voluntary enlistment was producing fewer men than the Army staff in Australia regarded as necessary to maintain the A.I.F., although Blamey considered that enough were coming forward not only to maintain but increase the size of the A.I.F. In the first two years of war voluntary enlistments had not reached the totals attained in 1914-16. Up to the end of August 1941, the total of enlistments in the A.I.F. from a population of 7,000,000 was 188,587 whereas in the first two years of the 1914-18 war 307,966 had been accepted from a population of 5,000,000. Even if the total strength of the R.A.A.F. (about 60,000) and

[8] There was a difference of view between the Government's military and manpower advisers in Australia on the one hand, and the G.O.C., A.I.F., on the other. The G.O.C. considered that the numbers of men coming forward were enough not only to maintain but to increase the A.I.F.

the new enlistments in the Navy (about 10,000) be added the total of volunteers recruited is still below the 1914-18 figure.[9] On the other hand Australia had set herself a high standard in this regard in 1914-15, and by the end of 1941 voluntary enlistment had enabled her to form and maintain a slightly larger number of divisions in proportion to population than, for example, the United States were to maintain under conscription at any stage of the war.

Various explanations have been offered of the lower rate of voluntary enlistment in 1939-41. The application of the List of Reserved Occupations was said to have excluded from the A.I.F. large numbers of volunteers and to have deterred others from offering.[1]

That it is not the whole explanation is indicated by the fact that there were 200,000 medically fit men who had been called up for home defence training in the militia who were not in reserved occupations and who were free to volunteer for the A.I.F. but did not choose to do so. Reasons which were canvassed in the War Cabinet itself were chiefly that men would not enlist if they thought Australia was insecure from a Japanese threat, although this was countered to some extent by the statement that enlistments were higher when there was a prospect of overseas service; reports of lack of equipment discouraged them; the munitions industry, which did not exist in the previous war, attracted men both by the high wages and overtime pay and because it was also considered an important national service; in a mechanised war infantry had little attraction, a reason supported by the number of enquiries for the armoured division. The R.A.A.F., seeking a smaller group of young men, had waiting lists and its attractions, apart from the way it conducted its recruiting campaign, appear to have lain in its being a distinctive service and possessing a modern weapon that caught the imagination.

By the Cabinet decisions the further growth of the A.I.F. had been checked and a limit set to its claims on manpower, but its existing strength was untouched. The militia was a different case. Towards the end of the year, after a change of government and when the naval forces in Australian home waters had been strengthened by the return of Australian vessels, the Labour Government asked the army to investigate the possible release of men from the army for "munitions production and essential industry".[2] At that stage there were 113,687 troops on full-time duty in Australia, including 61,396 in the militia, 11,050, in garrison battalions and 36,357 in the A.I.F. (the armoured division, part of the 8th Division, and reinforcements). The same possibility of obtaining manpower for industry by reducing the militia while leaving the A.I.F. intact was still in mind up to the outbreak of war in the Pacific for on 4th December the Curtin War Cabinet directed the Defence Committee to review "the strength and

[9] See Appendix 8, "Recruiting for the A.I.F. 1939-41".

[1] The exact effect of the application of the Reserved Occupations List on recruitment for the A.I.F. is the subject of contradictory reports. One statement made to War Cabinet was that it had kept out about 50,000 men. An examination of the records of the Manpower (Services) Committee shows that out of 159,882 applicants handled up to March 1941 only 7,041 had been reserved. See also S. J. Butlin, *War Economy*, in this series.

[2] War Cabinet Minute 1470B, 30 Oct 1941.

organisation of the three services to meet the probable forms of attack on Australia, the state of preparedness of the services to fulfil their respective roles in the defence of Australia, with special reference to equipment and the priorities which it considers should be accorded to measures for the completion of defence against the probable forms of attack, on the basis that the primary requirement is to prevent an enemy from reaching Australia. The Committee is also to consider, in the light of the above, the possibility of reducing the establishment of the Military Forces by, say, 20,000 to 30,000 men to enable additional manpower to be made available for the Navy and Air Force and for munitions production. This is not to affect the A.I.F. which is to be maintained in accordance with the principles already approved".[3] This instruction was superseded, however, by the urgent measures taken a few days later on the outbreak of hostilities with Japan—an event which, as will be seen later, completely changed the attitude towards the strength of the armed forces and for a time suppressed all thought of seeking an exact adjustment between armed services and industry.

3—WOMEN AT WAR

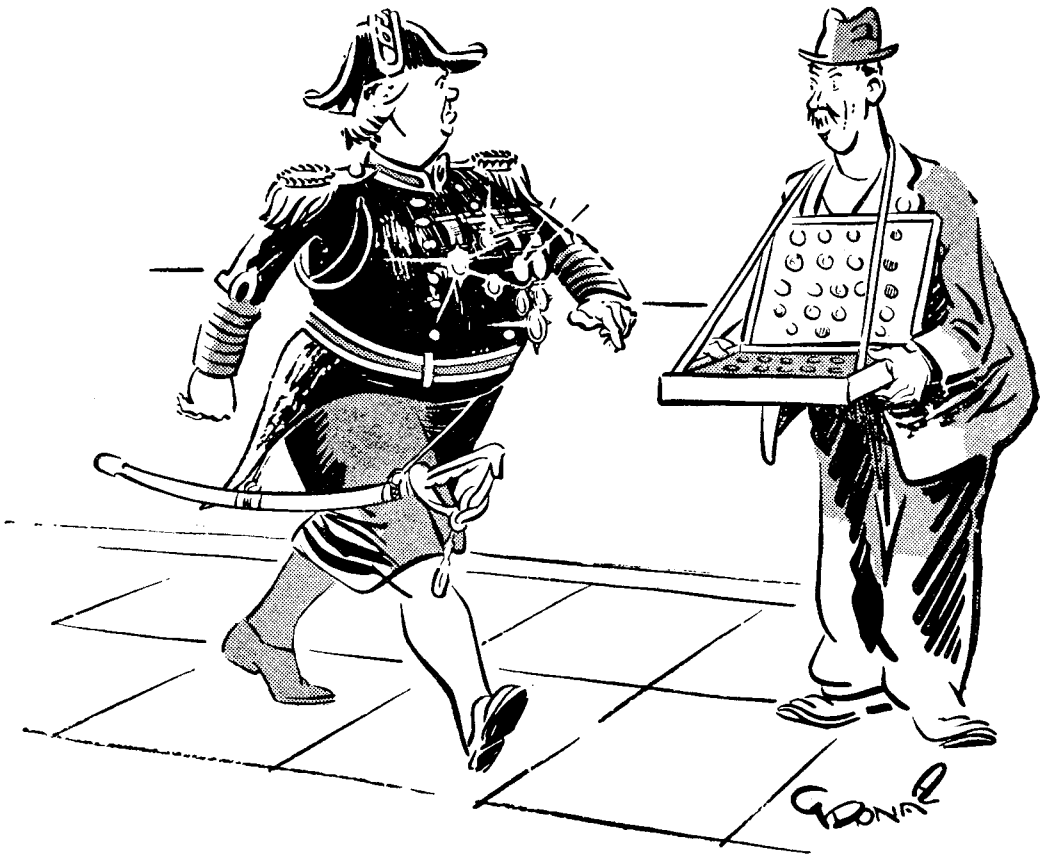
Except for nurses, who went overseas with the A.I.F. and saw honourable service in the Middle East campaigns, Australian women had officially taken very little part in the activities directly connected with the war up to the beginning of 1941. They were also occupying only a small part in the munitions effort.

The slowness to make better use of women in the war effort seems to have been due very largely to male obtuseness, coupled with a lingering idea that war is man's work and that a woman in a uniform or a pair of overalls, working in the company of men, would create all sorts of unmentionable difficulties. There was also likely to be difficulty over industrial conditions, fear that male workers might be displaced by women, and anticipation that the training of hosts of women might create employment difficulties after the war.

The nature of the objections to the use of women and the gradualness with which the objections were overcome can perhaps be best illustrated by a reference to events associated with the formation of the W.A.A.A.F., the first of women's services formed during the war. In the middle of 1940 various women's organisations which had formed themselves into training groups and, in some cases, designed their own uniforms and chosen their own leaders, began to seek official recognition and assistance.[4] It is clear from the files that male officialdom found them something of a nuisance and, at a War Cabinet meeting on 11th July 1940, the service ministers said in effect that there was no need for them, and that Commonwealth funds, training and uniforms could be better used in activities of

[3] War Cabinet Minute 1529.

[4] The wide variety of voluntary women's organisations, mostly developed without official sponsorship, is indicated by the section of photographs in this volume illustrating the women's war effort.



"Button, lady?"

Donald in Bulletin *(Sydney), 26 Mar 1941*

a higher priority than women's services. The most that the War Cabinet would do was to ask the three services to indicate the activities in which women could be most usefully employed should the need arise, in order that the women's organisations could proceed with the voluntary and unassisted training of their members in these duties. There was to be no Commonwealth expenditure. The last sentence of the War Cabinet Minute added: "It was emphasised that any scheme, if given effect, should not result in the actual displacement of men from their employment". Once again this question of employment and unemployment was dominating the planning of the war effort.[5]

In due course the services furnished lists of various classes of work for women and these were communicated to the women's organisations to be used as a guide in training their members. The army thought women might serve as V.A.D.'s as drivers of motor vehicles and ambulances in the base area; women operators from the Postal Department might be used on telephone switchboards; later on "consideration might be given to the employment of women in canteens in base and training areas" and there might be a need for clerical staff in pay and records offices. The air force listed a much wider range of activity including fabric workers, photographers, wireless telegraph operators, cooks, dental orderlies, motor transport drivers, clerks, canteen and mess stewards, office orderlies and telephone operators.

The air force was also the first to propose the formation of a women's auxiliary service and, early in October 1940, submitted a proposal to form the Women's Auxiliary Australian Air Force "for the employment of women in musterings where trained men are not available or are not suitable for the work required". The submission referred to an "acute shortage" of trained men for employment as wireless telegraph operators. There were not enough trained men to complete the manning of all aircraft of service units in Australia, let alone the ground stations, and it was known that 350 women who had reached various stages of training in their voluntary organisations would be available after short conversion courses for ground duty. There was an existing deficiency of 565 personnel. It took eight months to train a wireless operator and cost about £175 a man, and the limits on training expansion facilities, combined with the expansion of the air force, meant that the deficiency could not possibly be overtaken for twelve months. Every effort had been made to obtain trained male telegraphists, even by lowering the medical standard and allowing recruitment of men for ground duties only, but very few more could be obtained. Yet here were women available who in four weeks would be ready for duty and who, by reason of their own voluntary efforts, at their own expense, would save the Commonwealth from £25,000 to £30,000 in the expense of training them.

The arguments were exceptionally persuasive but the War Cabinet was cautious and, while the Treasury was making a routine enquiry into costs

[5] War Cabinet Minute 416.

and rates of pay, decided to refer the proposal to the Advisory War Council. The Prime Minister explained the proposals to the Advisory War Council on the same day.[6] The Council considered the question and deferred it. A week later they again deferred it because they wanted further explanations from the Chief of the Air Staff.[7] A week later, after further consideration, the Council expressed the opinion that the first thing to do was to enquire from the Post and Telegraph Union and from the Telegraphists' Union the number of persons offering for this class of work who were beyond the maximum age of fifty laid down for the enlistment of the R.A.A.F. ground personnel; that by means of the "widest publicity" another attempt should be made to obtain male recruits; and that the air force should see if it could speed up the training of recruits. For the time being, no women.[8]

At the end of the month the air force came back again with a stack of information about the additional enquiries it had made. The chief relevant fact uncovered was that by June 1941 it might be possible to obtain seventy-five telegraphists from the Post Office and that it might be possible, as a result of raising the age of enlistment, to find forty or fifty operators between 50 and 65 years of age. Other information which the department proffered in answer to particular enquiries made by Mr Beasley, a non-Government member of the Advisory War Council, suggests that some of the objections he had raised in the Council had been petty. Mr Beasley was assured that the Women's Emergency Signal Corps and the Women's Air Training Corps—the two voluntary organisations which had trained women operators in Sydney—were quite voluntary, that they were open to all patriotic women "irrespective of class" and that the fees had been nominal at 6d or 1s a week.

This interim report was noted by the Council and further enquiries ordered.[9] Over a month later, after interviews and enquiries among trade union secretaries and postal officials, the Council was informed that "the efforts made had not achieved the required results" and that there were now 550 positions in the R.A.A.F. "to be filled by women until men became available" and the A.I.F. was also "seriously short" of trained telegraphists.[10] The old objections were repeated. "The feeling of the Council was against the enlistment of women in the fighting Services, particularly for duties which, in unit life, are performed by men." A qualification began to creep in when attention was drawn to the additional need for cooks and waiters. "Mr Makin stated that there was not the same objection to the employment of women for positions such as these which, in civil life, were filled by women."

Eventually, three months from the first time of asking, the Council yielded—but only conditionally. "After receiving the assurance of the

[6] Advisory War Council Minute 14, 30 Oct.
[7] Advisory War Council Minute 15, 7 Nov.
[8] Advisory War Council Minute 28.
[9] Advisory War Council Minute 51, 2 Dec 1940.
[10] Advisory War Council Minute 75, 8 Jan 1941.

Minister for Air that, although personally he did not favour the enlistment of women for duty as wireless telegraph operators in the R.A.A.F. if it could be avoided, but was satisfied that it was justified in the present instance as every endeavour had been made to obtain men with the required qualifications without success, it was agreed that women might be enlisted as wireless telegraph operators for service with the R.A.A.F. to meet the temporary deficiency of male wireless-telegraph operators until men became available to fill the vacancies. To this end, recruitment and training of male personnel should be maintained, enlistment of women being restricted to the minimum number required for the minimum period that it is estimated that there will be a shortage of men. It was suggested that, before women are enlisted, they be made aware of the temporary nature of their engagement and that it be made quite clear to them that they will not necessarily be engaged for the period of the war."[1] Previously the War Cabinet had decided that, if there were no decided objection by the Advisory War Council, women should be engaged for twelve months to fill vacancies on the establishment as wireless telegraph operators until members of the air force undergoing training became available.[2] The detailed plan for the formation of the W.A.A.A.F. with a total establishment of 308, approved by the War Cabinet, was eventually accepted by the Advisory War Council on 5th February 1941.[3] The approval was accompanied by a recommendation that the Council review the position at the end of 1941.

Meanwhile the navy had discovered a similar need for servicewomen and, again, as in the case of the W.A.A.A.F., the War Cabinet hesitated to move without the blessing of the Advisory War Council. But on this occasion the non-Government members though they did not favour the move, would not oppose it and told the Government it must accept responsibility for its actions at the same time suggesting that "every avenue be explored" to obtain men and that any recruitment of women should be only a temporary measure.[4] Already, on ministerial authority based on the precedent of the W.A.A.A.F., the navy had employed a small number of women telegraphists at its shore stations.

When the decision to form the W.A.A.A.F. was announced to Parliament, Makin, for the Opposition, expressed strong objections to women being called into the fighting services until the full strength of the country's manhood had been employed. Women should be employed in "other and more suitable avenues". He asked the Government to give further consideration to the matter "in order to see that full justice is done to the men of Australia who are prepared to serve their country in these callings". If, however, the emergency was so grave as to demand the employment of women in any capacity with the fighting services they should have the same rates of pay and privileges as the men.[5]

[1] Advisory War Council Minute 87, 8 Jan 1941.
[2] War Cabinet Minute 673, 12 Dec 1940.
[3] War Cabinet Minute 746 and Advisory War Council Minute 137.
[4] Advisory War Council Minute 272, 17 Apr 1941.
[5] *Commonwealth Debates*, Vol 166, p. 149.

On the question of pay the Government adopted the rule that women in the auxiliary services should be paid two-thirds of the rate paid to men for the same class of work. This was an improvement on the practice commonly followed in industrial awards at that time.

It was Menzies, inspired by what he had seen women doing in England, who set in train more definite policy. At a meeting on 1st June 1941, at which the War Cabinet was brought up sharply against the manpower question in relation to the future strength and organisation of the A.I.F., reference was made to the scope for employing women to a greater degree in industry and in government departments, to release men for the services and munitions production, and it was decided that the service ministers should look into this question in relation to their respective departments.

Following the direction of the War Cabinet, the army prepared proposals for an Australian Women's Army Service,[6] and the air force presented proposals for the expansion of the W.A.A.A.F. The purpose of both these proposals was to release men for other duties, not to enrol women already engaged as civilians or to cover work already normally done by women. The principle was later established that no women enlisted in the services were to be sent overseas without the approval of the War Cabinet.[7]

During this period the employment of women in munitions also became more general, the principle of their engagement being one that had been laid down for the employment of women generally in war departments, namely, that preference should be given to single women but "that married women may be employed if they have superior qualifications".[8] On 23rd July, however, approval was given to the employment of married women in "professional and technical" capacities, the definition including "factory workers generally".[9]

In a review of manpower requirements prepared for the War Cabinet in response to a request of 10th July, it was proposed that in the course of two years the total number of women engaged in the services, munitions and aircraft production, either in uniform or as civilians, should be raised from 12,962 to 52,376, the major increases being 19,000 service personnel and 3,000 civilians for the army; 6,000 servicewomen for the air force; and 10,000 civilians for munitions and aircraft production. Most of these increases were to be made in respect of "unskilled trades" in both army and munitions, and office workers in all departments. The Munitions Department added the view that, if necessary, about half of the unskilled work which it was still proposed to undertake with men could probably be done quite satisfactorily by women. That would mean 35,000 more women to release that number of men.

Until effect had been given to the decisions of June 1941, however, the direct participation of women in war activities had been small. At 30th

[6] War Cabinet Agendum 257/1941.
[7] War Cabinet Minute 1315, 13 Aug 1941.
[8] War Cabinet Minute 1061, 9 May 1941 and 1247, 23 Jul 1941.
[9] War Cabinet Minute 1247.

June only 1,399 women were in the three services (22 in the Navy, 1,181 in the Army and 196 in the Air Force). Most of these were either members of the Australian Army Nursing Service or telegraphists and teleprinter operators in the air force. The number of women in civilian employment for the services, or the Departments of Munitions and Aircraft Production totalled 11,563. More than half of these were unskilled workers in the Munitions Department and about one-third were office girls in the services and the production departments. The services had about 1,300 unskilled civilian workers in various capacities. Only seventy of the women in the Munitions Department were at that time classified as employed on skilled trades.

A cross section of those entering munitions work is given by a contemporary analysis of 800 girls engaged in a period of ten weeks. There were 268 domestics, 190 factory workers, 88 shop assistants, 74 waitresses, 47 who had never before entered the labour market, 41 dressmakers, 38 nurses and receptionists and 31 clerks and typists.[1]

Outside munitions and the services, the war had created increased opportunities rather than a major change in the employment of women and the most marked feature of the situation was the move away from domestic service—the least popular of occupations for girls. The total number of female wage and salary earners (excluding the defence forces) had increased from 565,600 in July 1939 to 666,500 in July 1941, and, as private domestic employment had fallen by 24,500 and the increase in rural wage earners was slight, this meant an accretion of over 120,000 women to the force of city wage earners. The greater part of this total could be accounted for by the girls reaching the age for employment and taking their first jobs during those two years.

The increased employment of women in munitions and the prospect of greater increases brought early political problems relating to rates of pay. The trade union view, as formulated at a special conference of the A.C.T.U. at the Trades Hall, Melbourne, on 22nd, 23rd and 29th April 1941, was that men and women should receive equal pay for equal work, both in industry and in the services. The method favoured was to declare exactly the same basic wage and margins for skill for men and women so that the wage paid would be fixed by the nature of the work done. The main arguments were that unequal pay would be unjust to women inasmuch as it denied a female worker full payment for her work and would be unjust to men as it exposed male workers to the unfair competition of underpaid female workers. Some regard was paid, too, to the special problem of wartime when, with menfolk absent and the opportunity for young women workers to share in the benefits of the total income of a family not always remaining, it was imperative to assure young women of economic independence in order to maintain "normal ethical and social standards". On the other hand there were some signs at the conference of a small opposition to equal pay because of the effects it was likely to

[1] Helen Crisp, "Women in Munitions", *Australian Quarterly*, Sep 1941, p. 71.

have in breaking up the family as the social unit, and there was also some opposition from the same quarter to the employment of married women because of the effect that it would have on the home. Another facet of the question was revealed by the way the fear of the displacement of men by lower-paid women was sometimes expressed as an objection to letting the "capitalists and profiteers" exploit "cheap female labour". A Council of Action for Equal Pay, with Miss Muriel Heagney as secretary-treasurer, became active both industrially and politically. The Government, while initially fixing the rates of pay in the women's auxiliary services as two-thirds of the male rate, took the view that the rates of pay in industry were a matter for the Arbitration Court and should be left to be fixed under their awards. This reply would have been stronger if the executive had not already intervened to determine margins in a limited number of trades—an incursion into the Court's jurisdiction which, however, it was beginning to realise had been unwise.[2] In this connection, the fact that some of the processes on which women would be employed were new processes made it necessary that some determination of the nature of the work should be made. It was, however, left to the next government, after a greater flow of women into industry had commenced, to deal with the political and social problems raised.

4—THE EFFECT ON THE CITIZEN

Any decision on manpower is a decision touching human beings. It may affect them as wage earners, as employers, as consumers or as producers. It touches those who are irked because they are not being used as well as those who feel that they are being asked to do too much. Because manpower decisions affect human beings they do not begin nor do they remain simply as problems of administration or problems of the control and use of resources; they are necessarily also political and social decisions.

In the first two years of war there was probably much less direction than most citizens had been led to expect. In 1939 when they filled in their national register cards setting out their occupations, their qualifications and their additional skills, they might have expected that in time a hand would reach out to them and a voice say: "You are just the man the country needs". They had been told that the objective was to ensure that each did what he was best fitted to do to help the nation. In practice, however, the individual was more conscious of being restrained than of being selected. In succession men up to the age of 34 had been summoned in various age groups for medical examination at drill halls throughout the country. They had shuffled half naked from point to point of the bare room filling in forms and being measured, tested and sounded by various hands and, somewhere in the course of a rather aimless hour or two, they had shuffled in line up to a table where a man with a heap of papers had checked their occupations and, if they had a tale about special circum-

[2] See O. de R. Foenander, *Wartime Labour Developments in Australia* (1943), p. 9.

stances, had heard and questioned them. Subsequently those not in reserved occupations and medically fit had received notices to report for "embusment" or "entrainment" and had gone into camp.

This sole piece of official selection for the service of the nation sometimes appeared more of a nuisance than an honour. The three months' camp was in many cases regarded as an interruption of the old life rather than the beginning of a new. Lack of equipment, lack of first-class instructional staff and lack of imagination in training, as well as the remoteness of the war, left many trainees unconvinced that they were doing anything useful. The big majority, after having done readily enough what the nation had asked them to do in the militia, returned to civil life when their training period was over to pick up lost opportunities and lost pay.

Apart from the militia call-up, the citizen was left to make his own decisions and was more conscious of what officialdom would not let him do than of what it wanted him to do. There were recruiting campaigns to induce him to enlist in the A.I.F. but the volunteer might find himself checked by the manpower officer. There were statements to the effect that men were needed for munitions but if an ambitious man sought to change his employment he might be told to stay where he was.

So long as the Government hesitated, for political reasons, to impose on the nation a strict curtailment of non-essential industry, accompanied by rationing and manpower controls, their immediate administrative problem was to hold labour in the places where they wanted it, and not, as was the case later, to make arrangements for diverting labour from one industry to another. Furthermore, so long as the fear of unemployment dominated the thinking of a strong section of Labour, the planning of war measures had to take special care not to displace workers and to find a place for the unemployed, who were predominantly unskilled. The regulation of employment was therefore conservative.

Moreover, the initial shortage of labour was a shortage of skilled men and as more and more war contracts were let, some contractors tried to attract workers away from other employers. Non-essential industry, profiting from the period of increased spending, also tried to hold its workers or attract them back. The regulation of employment was therefore, at first, restrictive. Politically, anything resembling the conscription of labour was sure to come under attack and this provided another reason why the citizen felt restraint rather than direction.

By the first Employment Regulations of July 1940[8] certain specified skilled workers could not be engaged unless their last employer consented or the employee obtained a permit from the Director of Labour (Department of Munitions). Employers in munitions industries were prohibited from paying higher or lower marginal rates than those specified in the regulations. In September 1940 this provision was amended to a prohibition of the engagement of the employee otherwise than in the terms of a permit issued by the Director of Labour to the employer. Labour having

[8] National Security (Employment) Regulations, Statutory Rules 1940, No. 128, 5 Jul 1940.

objected to the requirement that the onus of obtaining a permit should be on the employee.[4] In subsequent months this policy of preventing the movement of workers from one employment to another and checking the "poaching" of workers by employers who offered higher wages was extended, mainly by making the regulations apply to new classes of workers.[5] The individual citizen, whether an employer or a wage earner, felt the regulations as an irritating restraint and dislike of them grew when they gave rise to inequality of wages, particularly in industries not wholly engaged in munitions work.

With the creation of National Employment Offices, in pursuance of the programme for an unlimited war effort, the recruiting of labour for munitions became more purposeful after July 1941, but up to that time at least the individual worker had looked for a job himself and had been made conscious of authority chiefly when, if he was a skilled worker, authority had told him to stay where he was. For the ordinary man, one of the chief results of the war was that more possibilities were opening. There were more jobs going, whether in his old peacetime trade or in new undertakings. Some of these possibilities opened gradually. The most frequent contemporary complaint, though not necessarily the common experience, was that of men who had offered themselves for this or that and had been "knocked back". At a time when the Government, for the reasons stated above, was conserving manpower, it was lagging in the task of mobilising and training it. Nevertheless, there were openings. Each of the production departments undertook separately the recruitment of labour and the Government worked out with the trade unions and employers, too, arrangements for the "dilution" of labour so that semi-skilled workers might be admitted to occupations recognised as being reserved for fully-qualified tradesmen and so that semi-skilled and skilled workers could be trained more speedily than under the apprenticeship system. The first dilution arrangement was made with the Amalgamated Engineering Union, the Metal Trades Employers' Association, the Victorian Chamber of Manufactures and the South Australian Chamber of Manufactures in May 1940, and was followed by others in the engineering and metal trades.

The man who left his job to enlist or to take up war work, or who was called up for the militia, left behind him a vacancy for someone else to fill. The clerk, the shop assistant or the public servant who went into the army or air force left an empty place, for commerce and the retail trade were still expanding. The public service became open to temporary employees, although entrance was still guarded narrowly by the Public Service Board.

The number of wage and salary earners in the Commonwealth had risen to 2,217,900 by July 1941—the peak of the war years and 157,200 more than in July 1939. Besides this, there were nearly 400,000 persons on the paid strength of the defence forces. A substantial increase in factory

[4] Statutory Rules 1940, No. 206, 20 Sep 1940.

[5] Statutory Rules 1940, No. 287, 13 Dec 1940; Statutory Rules 1941, No. 29, 12 Feb, No. 41, 25 Feb, No. 87, 22 Apr, No. 117, 28 May.

employment up to the first half of 1941 had taken place only in New South Wales, Victoria and South Australia. Estimates of non-seasonal increases in employment, prepared by the Financial and Economic Advisory Committee in April stated that from July 1939 to February 1941 factory employment in New South Wales had increased by approximately 33,600 and in Victoria by 35,000. Out of the total for the two States about 25,000 of the increase was in government munitions and aircraft plants and naval yards, about 11,900 in privately-owned iron and steel works and about 29,600 in private factories, including some, but by no means all, engaged on war contracts.

In the middle of 1941 such measures as newsprint rationing, petrol rationing, the tighter restrictions on building and the general effects of wartime changes in industry gave rise to some discussion on what was termed the re-employment problem. It was confidently expected that men displaced from one industry would find work in another and the Government thought of its own role as chiefly one of providing facilities for training and for engagement in munitions work and the minimising of the individual hardship which might be inevitable while the adjustment was being made. The workers at home, the Minister for Labour said, could be trusted to face their difficulties with the courage and resourcefulness of their comrades overseas.[6] In this, as in other phases of manpower administration, there was at this stage no thought of direction. "We shall do all we can to assist them," said the Minister, "but displaced workers cannot expect the Government to pick them up unsought and immediately put them in new jobs. Those so affected must themselves display some self-help and self-reliance in seeking employment. That these qualities are not always evinced is evident from the fact that whilst unemployment is recorded in the cities, country interests are continually calling for labour. This is a situation which must be adjusted, and which itself should afford opportunities of employment for those seeking it."[7]

The employers, too, were subject to restraint but not direction. The restriction on the engagement of labour protected the employer who had a staff but hampered the employer who was seeking one. Prices were fixed. New enterprise was subject to capital issues regulations which made it necessary to obtain the Treasurer's consent to the formation of companies or an increase in capital of companies.[8] The Treasurer's consent was required for the erection of a building costing over £5,000 and, after June 1941, for the erection of any building, excepting dwelling houses costing less than £3,000 or certain alterations.[9] In some cases, chiefly primary industries, the products of industry were controlled. In nearly all cases war brought unusual difficulties in the obtaining of materials and stock. Yet, up to the middle of 1941, for the employer as for the worker,

[6] *Commonwealth Debates*, Vol 167, p. 885.

[7] *Commonwealth Debates*, Vol 167, p. 855, 3 Jul 1941.

[8] Statutory Rules 1940, No. 218, 9 Oct 1940, and subsequent amendments.

[9] Statutory Rules 1939, No. 146, 8 Nov 1940, and subsequent amendments and Statutory Rules 1941, No. 131, 11 Jun 1941 and subsequent amendments.

war had opened up new possibilities as well as imposing restraints and the experience of the employers had been marked by the chance for individual initiative rather than by official direction.

For those who managed to obtain war contracts, the going was not unduly hard. Because of the national importance of the prompt fulfilment of contracts the Government took the major responsibility for the supply of materials; because so many of the processes were new and so many factors in production were unknown, the normal rule of submitting tenders was replaced by a cost-plus system, which virtually freed the manufacturer from any anxiety as to cost because his contract price would be the actual cost of manufacture plus either a stipulated percentage as profit or plus a fixed sum as a management fee. It even encouraged him to let costs run, for the higher the cost the bigger the amount of profit.[1]

While wage earners and employers were aware of opportunities as well as restraints and, in serving their country, found life more rewarding for themselves, there was another class in the middle—the small business man, the small farmer, the self-employed man, and salaried employees—which was conscious only of restraint. There was a recorded decline of 15,000 between July 1939 and July 1941 in the number of "employers and workers on their own account". The disturbance of this class had probably been greater than recorded for a number of them had found a new status as war contractors. The small contractor and builder, the garage owner, taxi cab proprietor, struggling shopkeeper, the young accountant, the lawyer, the tradesman working on his own account, the agent, the man with the small and independent enterprise, whether it be a goldmine or a two-room office in town, or a workshop in the suburbs, were closing down and enlisting in the forces, taking employment in a munitions factory, going into the public service or working for the man who got the contracts. The frequency of the complaint that the Government did not use the skill and plant available was in part a protest against the social change which was being forced on the small employer by the war.

The salaried man with professional or semi-professional qualifications, or the man in the fee-earning professions, felt the burdens of war but was slow to adjust himself to share in its opportunities. It was characteristic of this group that the war gave them few improved opportunities, and they found it hard to move because of their commitments. While numbers of them did enlist, in most cases war service meant a much lower income and a loss of prospects. While doctors cooperated in a scheme which kept the practices of absentees alive until their return, such arrangements were not attempted in other professions.

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[1] See the economic volumes in this series.
In general it would appear that any criticism of profiteering that might lie against the employing class should be directed less against the established companies than the smaller and adventurous wartime undertakings, including some formed at less than the £2,500 limit set by the capital issues regulations. Company dividends were stable around 7 per cent. The fields for exploiters were varied. The erection of small blocks of flats before the building regulations clamped down, the forming of small private companies for war contracting, the provision of accommodation, meals, drink and amusement as well as munitions all provided chances of making money quickly. Those who did well out of the war can be grouped more exactly as people who were greedy than as people who come from any particular social or industrial group.

For the majority of Australians, however, the first two years had brought more material advantages than hardship. Few had to endure anything more irksome than their own impatience. Bereavement had not yet deeply touched the population. Up to the end of November 1941 the total of service losses (deaths from all causes, missing and prisoners of war) was 9,000 and the wounded less than 5,000. The deaths on war service from all causes (2,745) in two years were considerably less than the average number of deaths from accident in Australia for a single year (3,766). There were approximately 145,000 men serving afloat or in overseas theatres of war or in training overseas—not quite one in ten of the men between 21 and 45 years of age.

There was money about. The total of wages and salaries was £469,000,000 in 1940-41—an increase of £30,000,000 in one year—and the disbursement of pay and allowances to members of the forces had grown to a total of £56,000,000 a year, a large proportion of which was at the disposal of the Australian community. The people were spending. The income tax on all incomes was still less than £40,000,000. Savings bank deposits per head of population in 1940 and 1941 were much the same as in pre-war years, although in 1941 a total of £17,380,000 was contributed to War Savings Certificates. The index of employment in retail stores reached its wartime peak in July 1941.

Prices were rising slightly and, though nominal wages were higher the index of real wages had fallen a little. Men in steady employment on fixed salaries and fixed commitments were feeling the pinch a little. Single men, families in which the number of wage earners had grown and shift-workers were doing well enough.

Trade union proceedings show a greater concern with pay than with conditions—a tendency which usually means both that pay is needed, that it is worth having, and that the worker on the job can see signs that industry is doing well enough to spare him a little.

Demands for more pay were linked with the disappointment of unions that the Federal Arbitration Court had deferred a review of the basic wage and with the interpretation which unions placed on the wartime loadings of about 6s a week which had been made in a number of industries over and above the award rates in recognition of some peculiar disadvantage or hardship due to the war. By the middle of 1941 there had arisen a definite claim, endorsed by the June congress of the A.C.T.U. for the extension of wartime loadings to all workers in all industries as of right, irrespective of whether any special disadvantage had been suffered. In some of the particular applications to the Court the union claim was based simply on dissatisfaction that some workers should have it and others not.[2]

More serious than the question of pay was the real disadvantage that war workers were beginning to suffer in housing. As yet there was no serious general housing shortage throughout Australia but in places such

[2] See O. de R. Foenander, Ch IV; also the debate on the basic wage initiated by Holloway on 25 Mar 1941, *Commonwealth Debates*, Vol 166, pp. 151-168.

as Lithgow and Maribyrnong where large munitions plants were located acute local shortages arose. Uncomfortable and ramshackle makeshifts or long daily journeys by improvised transport services were often the lot of the worker who had uprooted himself and his family from home to engage in wartime work.

An incidental but important effect of the changes in the first two years of war had been a growth in the strength of the trade unions. By the end of 1941 trade union membership had grown to 1,075,680—an increase of 187,522 since the end of 1939. Two-thirds of the increase was in the "manufacturing" group of unions, especially the engineering and metal trades. Incidental effects were increased finances for the trade union movement as a whole. The unions were stronger and labour was in demand.

As manpower engaged in civil industry became a more and more important part of the war effort, so the problem of industrial relations, to which trade unions could contribute so much, became a matter of greater national importance. As promised by Menzies on 17th June, yet another approach was made to the A.C.T.U. to obtain a fully representative Advisory Panel of Trade Unions but without success and, while Labour members of the Advisory War Council continued to urge that fuller use be made of the trade unions for improving industrial relations, the Government was, as the result of the stand of the A.C.T.U., still without fully adequate means of consultation.

Besides affecting the lives of individual citizens the diversion of manpower and resources was changing the content of Australian politics and also changing the relative value of its instruments. This diversion, touching so closely the life and livelihood of the people, was bound to create its own social and political problems. It reached down into the working population; it sought to command the hands of working men. It is clear that in order to direct such a war effort any government would require the trust and the active support of trade unionists.



Sun (Sydney)

Women's Emergency Signalling Corps training at Centennial Park, Sydney, January 1940. The group held a camp, attended by 150, at Castle Hill out of Sydney in March. This and the Women's Air Training Corps were the voluntary organisations mentioned in the submission to War Cabinet in November 1940 as likely sources for telegraphists. Uniforms were green.



Australian War Memorial

Women's Air Training Corps. This became a state-wide organisation in Victoria in January 1940 under the auspices of the Women's Voluntary National Register. In October 1940 five States were represented in a Commonwealth conference of the Corps. The New South Wales group, the Australian's Women's Flying Club, closed its membership at 1,500. Courses included aircraft; aero engines; motor transport; clerical work and stores; commissariat; draughtsmanship; photography; radio and signals.



Sun (Sydney)

Voluntary Aid Detachments of the Red Cross Society. In addition to their training in first aid and home nursing the members gave considerable time and effort to the raising of funds. The white uniform was later changed to pale blue with a small red cross on the pocket.



Sun (Sydney)

Air League members at a training camp at St. Ives, New South Wales, 10th June 1940.



Argus (*Melbourne*)

Australian Women's Legion. Membership in January 1940 was small but the organisation planned a land army and included a horsewomen's unit then numbering 16; drill and first aid were included. After a stormy split in July the Legion was reconstituted in August 1940 and membership was reported to be more than 900. The uniform included khaki coats and skirts and brown forage caps.



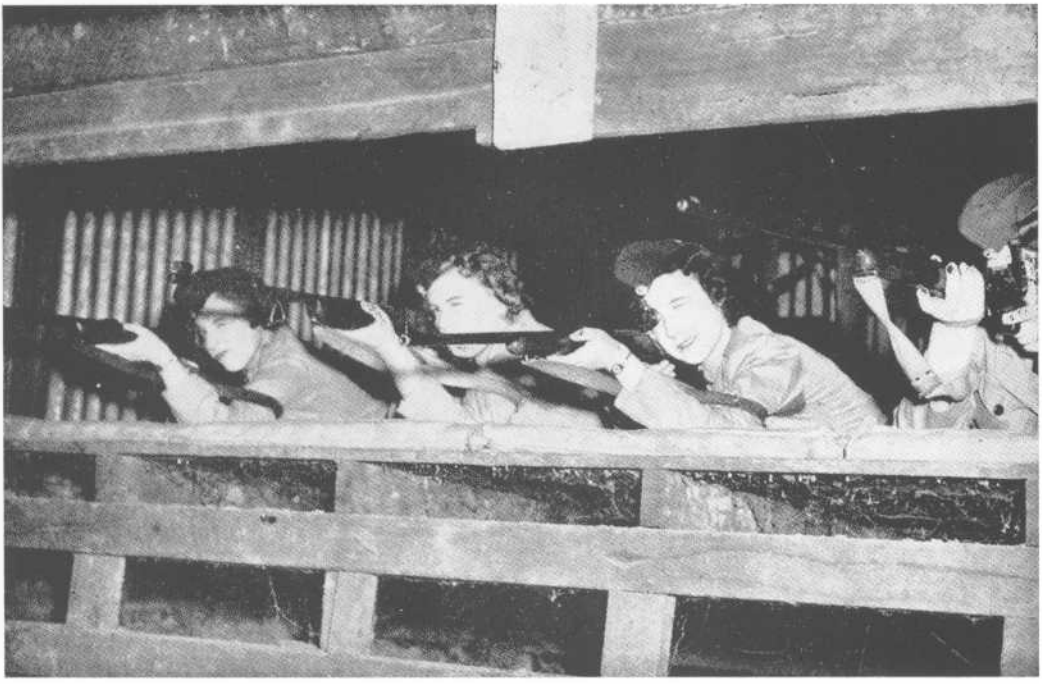
Herald (Melbourne)

Women's Auxiliary Service Patriots. The uniform was grey with burgundy accessories. In October 1940 statements by the University Vice-Chancellor and by the Chairman of the Manpower Committee that uniforms being worn by women's voluntary organisations deflected materials, manpower and money from the production of uniforms for the Forces, provoked spirited protest from the leaders. Women contended that the uniforms were necessary for morale and for the active nature of training.



Argus (Melbourne)

Country Women's Association—Land Army. Formed at a conference of this long-established association in Melbourne in June 1940, the first school was at Berwick, Victoria, and about 30 attended. Courses included milking, care of cows, sheep, pastures, machinery. Professor S. M. Wadham lecturing to members.



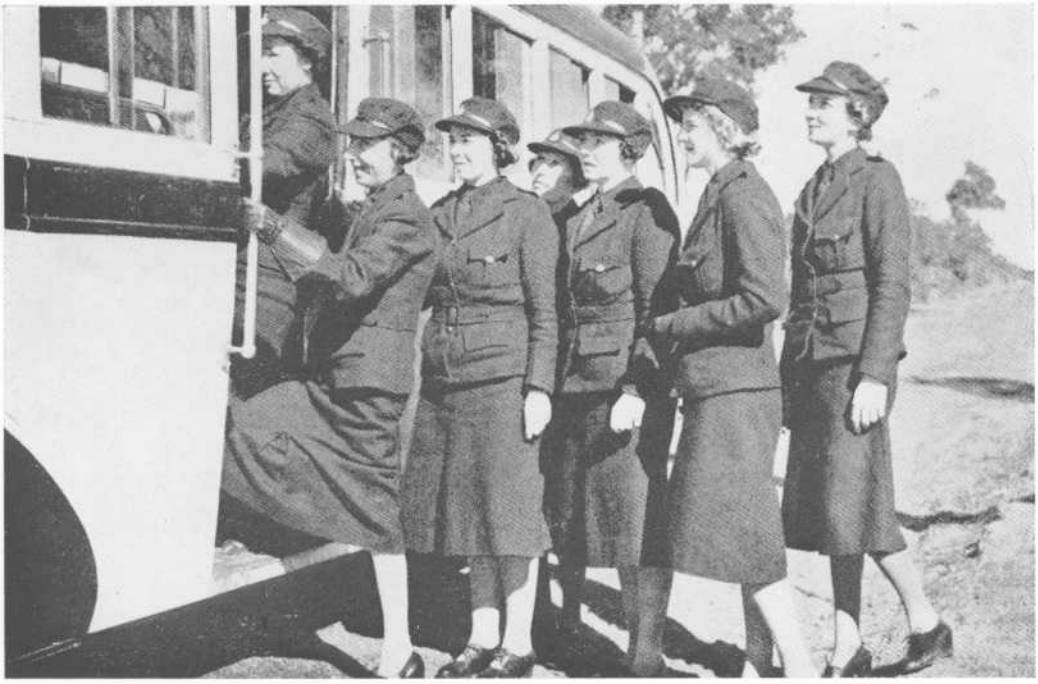
Australian War Memorial

Australian Women's Legion at rifle practice, Hawthorn Rifle Range, Victoria, April 1941.



Australian War Memorial

Cavalry Corps, April 1941



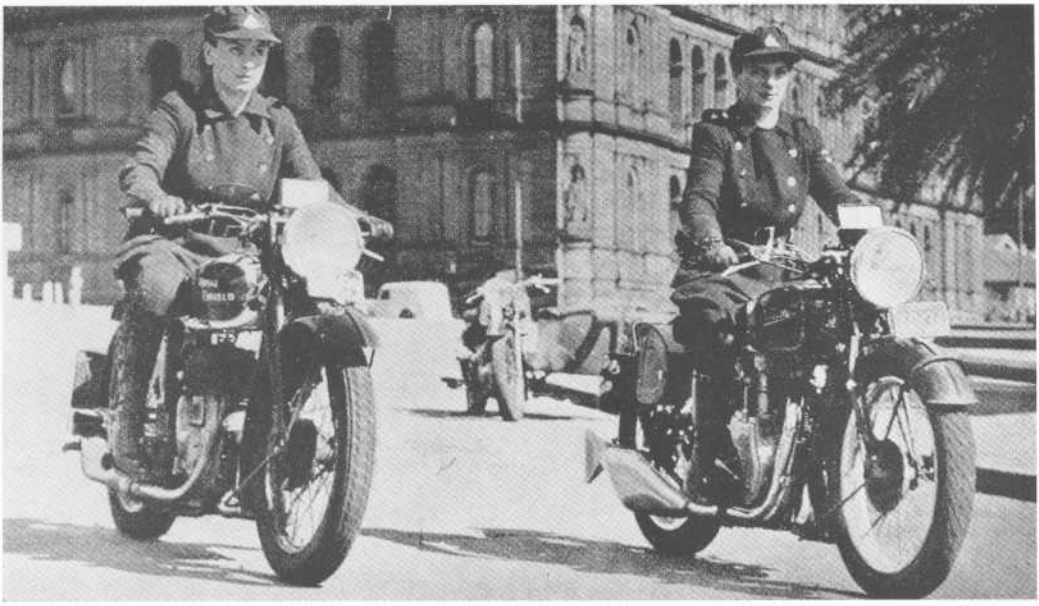
Sydney Morning Herald

National Emergency Services in New South Wales were staffed by volunteers, but were associated with the State's arrangements for Air Raid Precautions. There was no authorised uniform, but members adopted dress of similar pattern and colour and a common badge was supplied. Members being trained in bus driving, July 1940.



Sydney Morning Herald

National Emergency Services ambulance drivers' training included first aid to casualties. (July 1940.)



Australian War Memorial

National Emergency Services members training as motor cycle messengers. They supplied their own machines. (April 1941.)



Australian War Memorial

Women's Auxiliary National Service formed in June 1940 with Lady Wakehurst, wife of the Governor of N.S.W., at its head. It covered first aid, a land army, rifle shooting, canteen cooking, and in the first weeks enrolled 4,500 women of 17-60. Under the auspices of the Women's Voluntary National Register the W.A.N.S. sought to coordinate and check the by now somewhat unmanageable array of voluntary organisations. Organisations were invited to affiliate with the W.A.N.S. which, in November 1940, amalgamated with the W.V.N.R. The W.V.N.R. remained the registering authority, the W.A.N.S. the training and coordinating authority.



Australian War Memorial

The Militors were a Melbourne organisation which held its first general meeting in August 1940. Members were generally in the younger age groups and trained in rifle shooting, first aid and military drill, the last under an army sergeant. Officers had military titles, and membership grew to more than 100.



Australian War Memorial

Australian Women's Legion. A class in signalling and wireless telegraphy at Melbourne Technical College, April 1941.



Cinesound News Review

Kitchen and servery at the Anzac Buffet, Hyde Park, Sydney. Finance for the Buffet was in great part secured through the money-raising efforts of the Ladies' Auxiliary; workers, almost entirely voluntary, served more than 4,000,000 free meals to troops by the end of the war.



Sydney Morning Herald

War Workers Social Aid members at the Moore Park, Sydney, recruiting depot, 26th May 1940.



Sydney Morning Herald

Comforts Funds identifying themselves with individual units grew from the efforts of relatives and friends of men serving with the unit. 2/1st Battalion Comforts Fund at their headquarters in Bent Street, Sydney, May 1940.



Sun (Sydney)

Women members of the Postmaster-General's Department were trained in various jobs normally held by men, such as driving vans and collection of mail.



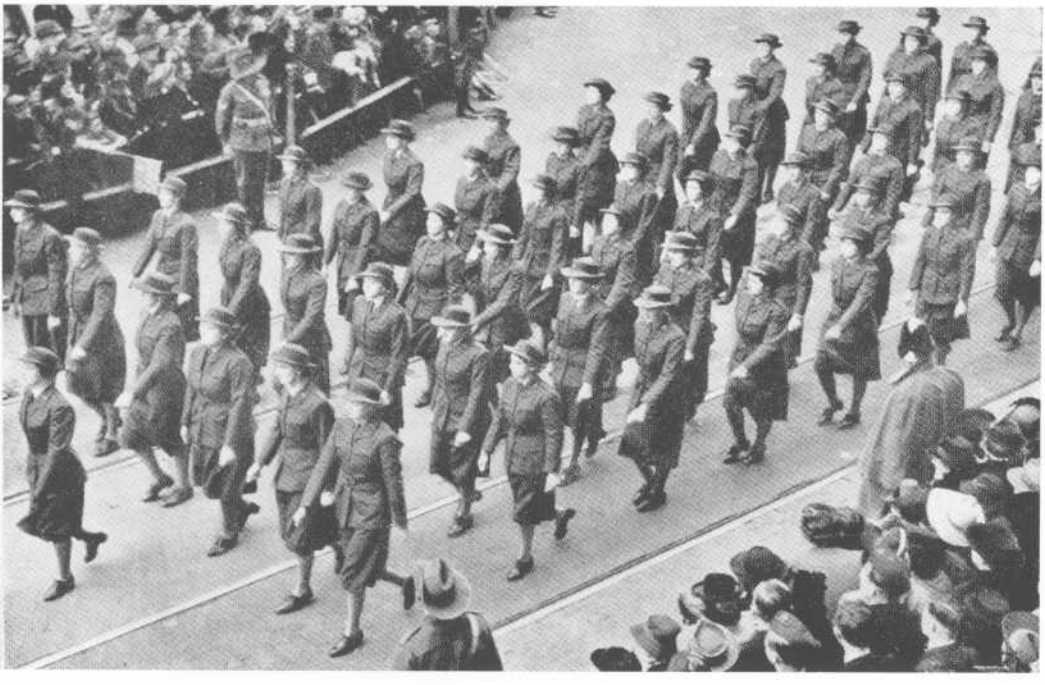
Australian War Memorial

Women's Auxiliary Australian Air Force.



Australian War Memorial

Women's Royal Australian Naval Service.



Australian War Memorial

Australian Women's Army Service.

CHAPTER 11

A DIGRESSION ON WARTIME ADMINISTRATION

1—THE NATURE OF THE PROBLEM

THE War Book had allocated to various departments of the Commonwealth Government and to State Governments certain tasks to be performed on the outbreak of war. The defence and economic planners before the war had helped to make clearer some of the borders of responsibility between different branches of administration and had been able to foresee the need for the immediate creation of agencies for price control, censorship, propaganda, security, and import and exchange controls. Once the war had started, however, the Commonwealth Government was constantly facing new situations which required it to undertake administrative tasks of which it had little or no previous experience. It had to exercise powers not customarily exercised. It had to develop machinery, practices and procedures and organise agencies for the carrying out of these new tasks, while at the same time some of the customary activities were being greatly extended and others were contracting.

The experience of government in Australia during the six years of war was spread too widely to come within the compass of a single volume. The history of Australian political institutions in wartime, the full transactions of each of the departments and special wartime authorities, a legal study of the constitution, a political and constitutional examination of wartime developments in Federal-State relations, an analysis of the fundamental problems of public administration in the Australian setting—each of these and many other topics might well become the subject of a study on its own by the appropriate expert, who would fit wartime experience into the continuing story of government in Australia. Each might become the point of departure for a costly digression in the present volume.

In this volume the unifying and disciplinary thread of interest is the conduct of the war. Something has to be said of the nature of the administrative problems raised by the war; something has to be said about the machinery with which the war effort was conducted; but to go further would be to enter upon a new study. The restricted purpose of this chapter is, therefore, to describe wartime administration as part of the story of Australia during the war.

At the outset certain circumstances should be noted. First, there are signs that, war or no war, the structure and the practices of government in Australia were under strain before the war started. The Federation stood in need of review, not only because of imperfection in the original compact but for other reasons. Inequalities between the States had become more clearly apparent in changing economic and financial circumstances. The field of responsibility of government had been enlarged and a clearer national interest had been seen in such fields as marketing and development, industrial relations, social services, civil aviation and international

affairs. The conflict between political theories which demanded unification and state socialism and the historical and constitutional arguments in favour of federation and liberalism had been heightened. Australian parliaments and cabinets were slow in adapting themselves to these changing conditions and Australian administrative machinery had not been adjusted to meet the expanding demands. No Australian parliament had devised means to assist it in the prompt and adequate analysis of legislation, growing in technicality and complexity, which was being brought before it; and there were signs, too, that parliaments of restricted size, selected mainly as houses of debate from men who had qualified by their gifts in party politics, were having some difficulty in furnishing a sufficient number of Cabinet ministers who could command both the knowledge of the subject matter and the administrative skill which a modern portfolio demands. In their structure and in the methods of going about their business, the parliaments and cabinets of Australia, both State and Federal, showed little change from the pattern adopted when the first legislatures and the first ministries were formed after the granting of responsible government in the eighteen-fifties. Australian practice had certainly adjusted itself less to modern changes than had the parent parliament at Westminster. Although there had been frequent shufflings of cabinet duties and the creation of some new departments to meet new needs, on the whole, in both Federal and State governments, the internal allocation of functions among departments was still lagging somewhat behind the changes in the scope of government. It was clear from the financial measures and the marketing control which followed the economic depression of the nineteen-thirties, from such social measures as were exemplified by the national insurance proposals of 1937-38, from the projects of national development which were being canvassed from 1936 onwards, and from the growing complexity and importance of Australian overseas trade relations, that the content of Australian administration was increasing in range and complexity and calling for a new and more highly technical competence among its professional administrators; but the recruitment and organisation of the public services followed the old pattern. War or no war, Australian administration was in need of overhaul and adjustment in 1939.

Second, the chronicler of wartime change in administration has to be aware that the fact of war itself made, temporarily, certain changes in the fundamental nature of government in Australia. Theoretically, the form of the Australian constitution was unchanged. Australia was still, throughout the war, an autonomous Dominion bound into the British Commonwealth of Nations by loyalty to the Crown; a federation with a defined division of powers between a federal government and six state governments; a parliamentary democracy with adult franchise and the protection of the individual by the courts. In practice, in wartime, this theory was a principle to guide administration rather than a restraint on it.

The status of Australia as a Dominion was temporarily of less practical importance than the fact that, during an exceptional period, she was a poorly-defended country in immediate fear of invasion and that, during

a longer period, she was an ally among the United Nations. On the one hand Australia accepted the device of membership of the British War Cabinet. On the other she took at times a highly independent line of her own. She was by turns the most devoted child of the British family and the most highly individual member of a wartime alliance of sovereign states. She never allowed constitutional theories to stand in the way of pressing for what she wanted.

The functioning of Australia as a federation was changed by the automatic and unchallengeable assumption of the defence powers accorded to the Federal Government by the Commonwealth Constitution—Section 51 (vi)—and the functioning of Australia as a parliamentary democracy was deeply affected by the exercise of the very wide and exceptional powers given to the executive by the Federal Parliament in the *National Security Act.*

Except that the theory and the guidance given by tradition and the constitutional form of government will remain, it is doubtful whether any state can engage in a total war and continue to be, in practice, either a federation or a democracy in the strict meaning of those terms. This is not the place to explore further the wartime experience of Australia considered as a dominion, a federation and a parliamentary democracy, but it is necessary to be conscious of the fact that wartime changes in administration went together with some distending of traditional and constitutional forms.

Third, behind the development of wartime administration, was the perpetual changing of the war situation. The tasks of administration varied with the nature of the Australian war effort. At first, the raising of forces for service overseas, the maintenance of exports and the control of exchange loomed large; but, in turn, munitions production, war supplies, manpower diversion, import procurement, rationing of domestic consumption, major construction works, the peril of invasion, production of foodstuffs and scores of other questions forced themselves under the notice of the Government. Each called for decision. Each decision was preceded and each was followed by administrative action of one kind or another, either to ensure that the decision was well-founded or that it led to effective action. Each decision set up a problem of coordinating the action which it started with the action which had been taken as a result of earlier decisions.

This fact has to be considered in conjunction with two aspects of administration which have, perhaps, not always been seen clearly by those persons professionally engaged in the business of government. The first is that the problems of administration are not only problems of governmental machinery and procedures but are subject to questions of policy; and the need for great urgency often goes side by side with differences of opinion about what purpose is to be served or can be served. On the one hand, the diagrammatic planners, who tended to reduce all administration to a series of charts, sometimes prepared agencies which were never used and appointed officers who were not needed, simply because their

planning had been too logical and had neglected the various influences that shape administrative action. On the other hand, the political leaders, who tended to reduce all administration to repeated cries of "get on with the job", sometimes failed to see that the real difficulty was in the vagueness of their own political decision about the purpose to be served and their neglect to think through the political situation to the nature of the task to be done. The second point is that the efficiency of administration depends very largely on an exact understanding of the tasks to be done. The tasks may be perpetually changing but the prime question is, not the capacity of the administrative machine but the function to be performed. The machine can be altered or adjusted; the function has to be understood. That question has to be seen clearly through the complexities of political dispute and conflict of public opinion and the new situations being perpetually created by the course of the war. It can perhaps only be seen clearly by receptive and analytical minds, free on the one side from too close an involvement in public opinion or too close a devotion to one political platform, and on the other side from too rigid a devotion to administrative precedent or too narrow an interest in the maintenance of a particular agency or an accepted routine. One of the rare gifts of the head of an administration is to be able to see clearly and define exactly the changing tasks of government.

Probably the chief difference between wartime and peacetime government, apart from differences in subject matter, is the rapidity with which conditions change in wartime as compared with peacetime. If there is one generalisation which might stand regarding wartime administration in Australia it is that the defects were mainly due to slowness to adjust the administrative services to changing tasks and, while a good deal of that slowness was due to the resistance of higher public servants who wanted to twist the new job to fit their own precious piece of machinery rather than adjust the machine to fit the task, the fault was more clearly traceable in most cases to the absence either of an exact view of the function or the lack of agreement among ministers on the purpose to be served. In part that impediment was political. Ministers did not do what needed to be done because they thought other considerations outweighed the importance of the task. Sometimes, however, this failure would appear to have been due to incapacity.

Australian administration, like the administration of any other country, was also affected by the fact that it was carried on by human beings, not machines, and these human beings were subject to such frailties as always complicate human enterprise. Where there was vagueness about the task to be done ambition, pride, jealousy and self-interest had more room to play.

Fourth, in wartime, government became more and more a question of control and, both because control was more rigid than in peacetime and because it spread to more phases of the life of the country, considerable developments had to be made rapidly in the machinery and the methods of control. Government had to do many new tasks in a new way. The

extension of control made planning more important and created its own peculiar problems of coordination. In the first two years of war, planning usually preceded control and the machinery for coordination often seemed to be equal in extent to the machinery for action. As the subject matter of government grew in urgency and then in complexity, control tended to outstrip both planning and coordination and often it was a case of a flurry of action being followed by a process of straightening out by conference. The history of the process allows warm tributes to be paid to the energy, initiative and adaptability of a number of individual Australians but little praise for Australian administration as such.

The fifth and last general point to be noted about wartime administration is that, whereas at the beginning of the war the organisational problem was to convert a peacetime system to wartime uses, by the middle of the war the whole machinery of government from Cabinet downwards had developed a peculiar wartime character and a momentum of its own. A ministry formed in wartime had a different outlook from a ministry that had been switched from pre-war tasks. More than half the members of the public service had only entered on official duty as their part of the war effort, and they were less trammelled in outlook but less rich in experience of government and less subject to the guidance of convention than the public service that laid the foundations. Some of the public servants had been kindled by the unusual circumstances of war into visions of themselves that were larger and more colourful than life. By 1945 the system and the service that had plodded its way obscurely through 1940 and 1941 and tugged and hauled night and day through the crisis of early 1942 had turned into a rather exuberant giant blown up with its own importance, obsessed with committees, enamoured of regulations, and insulated in its own paper.

Having made these preliminary observations which apply to the whole wartime experience of government in Australia, it is now proposed to recount some of the major developments affecting the main institutions. In keeping with the chronological order in which this chapter is placed the chronicle will refer almost wholly to the period up to the end of 1941, although occasionally and in order to establish a point it will be necessary to refer to developments after that date.

2—PARLIAMENT AND CABINET

Federal Parliament met regularly during the war, sitting for 18 weeks in three periods in 1940; 22 weeks in four periods in 1941; 29 weeks in two periods in 1942; 14 weeks in three periods in 1943; 26 weeks in two periods in 1944; and 30 weeks in one period in 1945. The length of its debates, as measured in pages of Hansard, shows little significant difference from pre-war practice. The party system, with significant national decisions being made either in the Cabinet or in the party room and with divisions in the House normally taking place on strict party lines, operated as in peacetime. The only modification was made by the creation of the

Advisory War Council.[1] General elections were held when constitutionally due in 1940 and 1943 and the campaigns were conducted on party lines.

The freedom of debate of Parliament and the privileges of members in debate were unaffected by war except insofar as a member of the Government might occasionally plead that it was not in the interests of national security to divulge certain information or to discuss certain matters. Occasionally, commencing in December 1940,[2] "secret sessions" were held to enable ministers to disclose information which could not be made public and to allow an opportunity for criticism of a more outspoken kind than it might be in the national interest to make in public. The proceedings of such secret meetings were not recorded. Opinions on their value to members or their effect on policy vary considerably but, while no one praises them highly, only a few can be found who deny that they served a necessary and useful purpose. No one pretends that major secrets were ever given away to members or that the secrecy of such sessions was absolute. Indeed they would appear, from all accounts. to have given simply an opportunity to talk "off the record".

The parliamentary function of review was limited by the wartime limits on information. As an example, for understandable reasons of military security, the details of expenditure given in the Budget papers were eliminated under several headings and for the major part of the expenditure on defence and war services only a total figure was given. For less understandable reasons of economy, no public service list was published and the Public Service Board ceased to present annual reports. Other annual reports were reduced in scope for economy of newsprint and manpower or for discretion. The more the administration did, the less Parliament could know about it.

A large part of the legislative function of Parliament had been delegated by legislation, and principally the *National Security Act,* by which Parliament confided extensive powers to ministers to make regulations, to interpret regulations, and to exercise both judicial and executive functions under the regulations. The power of Parliament to disallow regulations was exercised occasionally. In respect to government by regulation, wartime experience was hastening tendencies which had been apparent before the war, but it did not hasten the necessary parallel development of methods to enable Parliament to maintain its supremacy by scrutinising the use of delegated law-making powers.

Some attempt was made by the Menzies Government to associate Parliament more directly with the war effort. In July 1941 Joint Committees on War Expenditure, Social Security, Profits, Broadcasting and Rural Industries were established. In announcing the proposals, the Prime Minister said that "in order to preserve the continuity of parliamentary influence and the continuous responsibility of members of Parliament, they should be given some continuous function in relation to admin-

[1] See Chapter 6, Section 1 above.

[2] See *Commonwealth Debates,* Vol 165, pp. 1051-1053 and 1054.

istrative affairs".[3] The conception of these committees would appear to have been more closely related to a wish to do something for the good of Parliament than for the essential needs of wartime administration, and was clearly influenced, too, by the political necessity of Menzies at that particular moment to please Parliament, considered as a collection of persons, by distributing a few offices.

At the centre of the wartime administrative structure devised by the Menzies Government was a reorganisation of the Cabinet. The first step was to create a War Cabinet. The plans for this had been made before the war[4] and when the outbreak of war was imminent the Defence Department prepared a submission, dated 28th August 1939, to put these pre-war proposals into effect. This was adopted by the Cabinet and announced on 15th September. The Prime Minister minuted the submission as follows:—

> All matters other than major matters of general policy to be dealt with by War Cabinet; summaries of War Cabinet dealings to be made by Prime Minister at full Cabinet meetings. Meetings of full Cabinet to be held at regular intervals not always in Melbourne, i.e. Sydney and Canberra.[5]

The public announcement of its creation said that it had been constituted "to ensure quick decisions and the vigorous prosecution of the Government's war policy".

The War Cabinet consisted of the Prime Minister, who was also Treasurer at that time, the Attorney-General (Mr Hughes), the Minister for Supply and Development (Mr Casey), the Minister for Defence (Mr Street), the Minister for External Affairs and for Information (Sir Henry Gullett), and the Minister for Commerce (Senator McLeay). It held its first meeting at Melbourne on 27th September 1939,[6] and the nature of its functions as originally conceived, is illustrated by the fact that the subjects considered during its early meetings included such matters as the higher army appointments and commands, rates of pay for the services, review of the organisation of the services, the expansion of munitions production, the obtaining of aircraft, the establishment of canteens at military camps and the location of a new explosives factory. In other words it was the executive sub-committee of Cabinet in matters relating to the active conduct of the war. Its character was further illustrated by the adoption on 9th October of a proposal that the Prime Minister should circulate a summary of its decisions every few days to those members of the full Cabinet who were not in the War Cabinet.

At its first meeting the War Cabinet took a decision which historically is interesting because of its novelty in Australian Cabinet practice and which administratively proved to be of the utmost importance in the efficient conduct of the war. The War Cabinet accepted the presence at

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[3] *Commonwealth Debates*, Vol 167, p. 852.

[4] See above Chapter 3, Section 3D.

[5] Defence Department file, "Machinery for the Higher Direction of War".

[6] For changes of membership, see Appendix 1, "Wartime Ministries".

its meetings of the Secretary of the Department of Defence, Mr F. G. Shedden,[7] as Secretary of the War Cabinet. This decision, too, had been implicit in the pre-war planning.

Hitherto the Australian Cabinet had not developed any secretariat of its own nor had it formally recorded its decisions in a consecutive series of minutes. The practice had been simply for the Prime Minister, or sometimes another minister, to note on the memoranda submitted to the Cabinet what had been decided and hand the paper back to the minister who had brought it forward. Pre-war Cabinet decisions have consequently to be sought on departmental files, where sometimes will be found the original piece of paper with "Approved" and a Prime Minister's initials, or a formal memorandum from the Secretary of the Prime Minister's Department to the secretary of the department concerned saying that, with reference to the memorandum of such and such a date on such and such a subject, Cabinet had decided so and so. The Secretary of the Prime Minister's Department, in order to start the administrative wheels moving in this fashion, relied chiefly on a word of mouth authority from one of the members of Cabinet who had been rather loosely designated as its secretary. He would wait outside the Cabinet room when ministers were dispersing, ask what had happened on this item or that, and try to collect any initialled submissions which had not been carried off by ministers. It was not unknown for some further informal conversation among departing ministers to be necessary to check each other's recollection of what exactly had happened on the less important items. Some of the so-called secretaries of Cabinets were methodical; others were inclined to trust to memory and scribbled scraps of notes. There were no Cabinet records as such, and the making of Cabinet records would have been regarded as contrary to the principles of Cabinet responsibility and the secrets of the Cabinet room. Under this system only the matters on which Cabinet agreed became known. The rest was silence.

The War Cabinet Secretariat which developed under the direction of Mr Shedden became one of the most efficient instrumentalities in the whole of the Commonwealth Public Service and its system of minutes with supporting agenda and documents proved a notable aid to administration at the heart of the Government. The efficiency of the secretariat may be counted among the major reasons for the rapid growth of the importance of the War Cabinet during the first six months of its existence. The example established in the War Cabinet was later followed in the full Cabinet, which also initiated the practice of permitting the attendance at meetings of the Secretary of the Prime Minister's Department as secretary to the Cabinet.

At its first meeting the War Cabinet decided that the Chiefs of Staff should not be present continuously but only on those occasions when their advice was required on any matter under consideration. In the course of time it became a usual practice for the War Cabinet and full Cabinet to invite into the cabinet room experts, higher public servants, distin-

[7] Sir Frederick Shedden, KCMG, OBE, Sec. Defence Committee 1929-36; Sec. Dept. of Defence since 1937; Sec. to War Cabinet 1939-46. Of Melbourne; b. Kyneton, Vic, 8 Aug 1893.

guished visitors and representatives of Allied Governments during the discussion of particular items. From the commencement, ministers who were not members of the War Cabinet would be co-opted when matters affecting their departments were under consideration.

As the pressure of business grew and the need for urgent decisions became greater, more and more matters were referred to the War Cabinet which, being a small body with a staff constantly at hand and in close touch with the service chiefs, was able to avoid most of those difficulties which surrounded the calling together of the full Cabinet. To meet the pressure of business it was decided in May 1940 that it should make a distinction between major questions of equal concern to all ministers and other questions of a more specialised nature concerning particular departments and groups of departments; it adopted a procedure under which the Prime Minister decided into which category an item of business belonged and directed the secretary to issue notices to the ministers concerned, but in so doing observed certain general rules to which the War Cabinet had agreed. It also adopted a regular programme of weekly meetings under which all its members might come together on one day and groups of its members meet separately on other days, with authority to conclude the specialised business placed before them. Under the stress of business it was not, however, possible to follow this orderly procedure without exception.

A year later, on 4th June 1941, the Prime Minister, who had recently returned from London, informed his colleagues of the practice there by which the main activity was concentrated in the War Cabinet, and he proposed that in future the Australian War Cabinet should direct war policy generally. This proposal in reality only recognised a growing practice. For the greater part of the war, both under the Menzies and Curtin Governments, the War Cabinet did, in effect, direct war policy, although the full Cabinet was customarily called together for discussion of major contentious issues affecting party platforms or national welfare in a broader way than the actual conduct of the war. There was a natural disposition, too, to place on the full Cabinet the responsibility for matters which would involve parliamentary action or which would have to be justified to the electorate. A further decision of June 1941 also based on observation of British practice, was to admit a second officer to War Cabinet meetings to record the proceedings.

After the creation of the Advisory War Council, of which four War Cabinet ministers were members, there was increasing interplay between discussions in the Council and discussions in the War Cabinet and, in the emergency of December 1941, under a new Prime Minister, Curtin, the War Cabinet brought the Advisory War Council more closely into the Cabinet system by a decision that if the Government members of the Council concurred in a recommendation of the Council it would be accepted as the decision of the War Cabinet.[8]

[8] War Cabinet Minute 1570, 11 Dec 1941.

There were quite a number of occasions when this did mean in practice that an agreement reached in the Advisory War Council was recorded as a minute of the War Cabinet bearing the same date as the meeting of the Council. It would be wrong, however, to assume that the Council henceforward was a substitute for the War Cabinet. A definite field of activity was laid down for the Council with the object of avoiding duplication between its work and that of the War Cabinet. The matters dealt with by the Council from December 1941 onwards were reviews of the international situation, strategical appreciations, reports of operations, progress reports by the Chiefs of Staff, and major questions of policy as determined by the Prime Minister.[9] The Prime Minister decided what matters should or should not go to the Council and there were still matters which were dealt with by the War Cabinet alone. Whether a question went to the Council before or after it had been considered by the War Cabinet was often a matter of convenience. The general practice was for the War Cabinet to meet on the day before a meeting of the Council, but sometimes it met on the same day, or the Council might meet first. Out of seventy occasions between December 1941 and December 1943 on which meetings were held on the same day or succeeding days, the War Cabinet meeting preceded that of the Council on 44 occasions. After the early months of 1943 there was a tendency to use the Council less and less[1] but, during the most critical period of the war in 1942 its close relationship with the War Cabinet—a relationship which was also aided by the secretariat provided to both by the Defence Department—helped to give national unity on many major decisions for the conduct of the war without any serious cost in speed.

When both the War Cabinet and Advisory War Council were dissolved at the end of the war, it was announced that since its creation the War Cabinet had held 354 meetings, dealt wtih 3,977 agenda and recorded 4,624 minutes. The Advisory War Council had held 174 meetings, dealt with 747 agenda (including 325 War Cabinet agenda) and recorded 1,618 minutes.[2]

Shortly after the creation of the War Cabinet in 1939 Menzies also created an Economic Cabinet, which he described as "another major committee of Cabinet". Apparently the original intention was that it should do on the economic side what the War Cabinet would do on the military side of the war effort. We have seen how the War Cabinet

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[9] Advisory War Council Agendum 144/1941, 12 Dec 1941.

[1] The following figures show the falling off in the use of the Council in the last three years of the war:—

	War Cabinet	Advisory War Council
Number of Meetings:		
1941	76	52
1943	35	22
1944	34	20
1945	32	18
Number of Minutes:		
1941	983	569
1943	686	172
1944	735	183
1945	626	153

[2] Press statement by Mr Chifley, 19 Jan 1946.

developed from being a Committee of Cabinet into something in the nature of an inner Cabinet with a very large measure of responsibility for the higher direction of the war. There was no similar development in the Economic Cabinet nor did it even perform the humbler purposes for which it was created.

The original aims of Economic Cabinet, drafted in early November 1939, were set out as follows:

(a) keep our financial position steady, but responsive to expanding needs;
(b) maintain production and trade at as high levels as possible, keep domestic prices reasonable and ensure the maximum of employment;
(c) effect a considerable transfer of labour and equipment from peacetime to wartime industry;
(d) promote new industries, some of which will be to manufacture goods whose importation has been interfered with by the war, and some others which are due to be undertaken in any case. Some again relate to the primary field as, for instance crops furnishing certain raw materials in industry;
(e) begin to plan now for the ultimate turn-back of men, materials, and equipment from wartime to peacetime requirements, so that the readjustment may take place with the minimum of economic disturbance.

These aims make it clear that the function of Economic Cabinet was to be that of economic planning and not only that of an executive subcommittee. Menzies in a public statement of 11th November 1939, spoke of "special coordinating machinery to deal with the business side of our problems . . . also the whole problem of the effect of war upon our national economy and the important question of our planning for future peace and development". A diagram in an official handbook of December 1939 shows the "Government Machinery for the Higher Direction of the War" "to consist of Cabinet at the top to deal with major questions of general policy" and, on the next level, alongside the War Cabinet, the Economic Cabinet to deal with "all matters relating to wartime economic and financial policy". The Prime Minister announced that he would be chairman *ex-officio* of Economic Cabinet and the other members would be the Minister for Supply and Development (Mr Casey), the Minister for Commerce (Senator McLeay), the Postmaster-General (Mr Harrison), the Minister for Trade and Customs (Mr Lawson), the Acting Treasurer (Mr Spender) and the Assistant Minister for Commerce (Senator McBride). In practice, the Assistant Minister for Supply and Development (Mr Holt) attended in place of Casey, who was absent part of the time in the United Kingdom.[3]

A survey of the agenda of its early meetings, during the opening months of 1940, shows that the Economic Cabinet was very largely concerned with immediate and practical tasks such as the acquisition of the apple and pear crop, the establishment of wool appraisement centres, the control of liquid fuel, the transference of farmers from marginal wheat land, flax production and the prices of copper and tin. At the same time it also

[3] Department of Defence Coordination: Functions, Machinery and Procedure, 23 Dec 1939, and Australia's War Organisation, Statement by R. G. Menzies, Prime Minister, Canberra, 11 Nov 1939.

made frequent excursions into those more rarefied levels of economic thought and speculation which were mentioned in its aims.

Part of the reason why the Economic Cabinet did not succeed was that it was more difficult to isolate from the main body of Cabinet business a single group of economic subjects than it was to isolate the higher direction of the war on the military side. The economic objective was not so well-defined nor, for a period, was it considered so urgent as the raising of forces and attendant military matters. An Economic Cabinet had not been prepared for in the pre-war planning, nor were there United Kingdom models as complete as in the case of the War Cabinet.

The nature of Australian politics also had something to do with it. From the outset Menzies found that the matters which he placed before the Economic Cabinet turned out to be matters on which almost every minister had a direct personal or political interest, perhaps because they touched on the administration of his department, or were matters with which he had been familiar in peacetime, or matters which concerned immediately his constituents. There was a tendency for Economic Cabinet meetings to become almost the same as full Cabinet meetings, or, if that did not happen, as a result of claims by other ministers to be present, a decision by the Economic Cabinet would often lead to a second discussion of the same topic in the full Cabinet.

Thus, detailed matters respecting fruit, wool, wheat, metals, liquid fuel, stocks of commodities, taxation, loans, public works, housing and import licensing, which were referred to the Economic Cabinet, were the very stuff of which Australian politics had been made for the past quarter of a century and every minister was interested in decisions of policy concerning them. Moreover, the broad responsibility in respect of the economic and financial policy of the country would not be willingly surrendered to a group.

Besides being surrounded by this conflict of interest and diversity of purpose, the shaping of economic policy and the higher direction and coordination of wartime administration on the economic side had to take into account the strong and well-established departments, agencies and committees already functioning in this field. Menzies was aware of the problem but probably no one without experience of the wartime behaviour of departments could have seen all its difficulties. His simple solution was to find a coordinator.

In the case of the War Cabinet, an experienced and efficient public servant had been appointed as secretary and, with a whole department ready and organised at his back and a complete mastery of administrative routine, he had been able to ensure the smooth functioning of the War Cabinet without delay. In the case of the Economic Cabinet, the Prime Minister went outside the Public Service and sought an experienced administrator and executive officer from the business world. Such a man, besides lacking the public service qualifications for the head of a secretariat, also necessarily suffered the disqualification of his own eminence and was

handicapped in attempting to find his place in the administrative pattern by having no department or staff under him.

The man chosen was Sir Ernest Fisk,[4] managing director of Amalgamated Wireless (Australasia) Ltd. since 1917. His reputation as a business executive, a planner and an administrator was considerable and he added to it some facility as a writer and speaker, well known in public affairs. By one of the conventional necessities of Australian politics, the Prime Minister, being himself a Melbourne man and already having selected some Melbourne men for responsible posts, was obliged to look for a Sydney man on this occasion. That being so, anyone who asked who was the outstanding business executive in Sydney, would probably have been given the name of Sir Ernest Fisk. After conversations with Fisk, the Prime Minister wrote to him on the 17th November 1939 confirming his appointment to the combined offices of Secretary of the Economic Cabinet and Director of Economic Coordination. For this purpose his services were to be lent to the Government by Amalgamated Wireless.

From the start there were some features of this appointment which might have caused doubts of its success. Because of Fisk's standing, he was given a status approaching that of a Cabinet Minister, but he was not a Cabinet Minister and would never be in a position to act as one. By the same token, he would find some difficulty in acting as the head of a secretariat serving the Economic Cabinet. Secondly, his function as Director of Economic Coordination required him to coordinate the advice and planning of those senior Australian economists who were already in the service of the Government, but he lacked the qualifications to join the economists in the role of senior economic adviser. Thirdly, he was required, as Director of Economic Coordination, to ensure the smooth working of those government departments charged with the carrying out of economic policy decisions. It was difficult to see exactly his own place in the administrative structure and he himself had not had previous opportunity of understanding how the administration worked, nor was it proposed that he should have any administrative organisation under him. He was given authority and powers of a general kind. A circular to ministers from the Prime Minister said:

> It is not intended to set up a super department to overrule Departments. As Sir Ernest's designation implies, he will coordinate activities and be available to cooperate in effecting the unity of policy. The recognition of Sir Ernest's position by Ministers, heads of departments, and officials is necessary if we are to get the full benefit of the services he is making available to us and I should be grateful if you would make it plain to the officers of your Department that Sir Ernest is regarded by the Economic Cabinet as appointed to advise and assist them on the activities of all departments dealing with our economic structure. One thing stands out clearly—he should be kept fully informed by all departments, not only as to major activities, but all projected activities; to understand the background, this information would need to be in some detail. It is my intention that I should be closely associated with Sir Ernest. The information supplied to him would, in effect, be information sent to me; conversely, much of the information sent to me will

[4] Sir Ernest Fisk. Dir Econ Coordn 1939-41. Engineer; of Sydney; b. Sunbury-on-Thames, Eng, 8 Aug 1886.

be passed on to Sir Ernest so that I can have the benefit of his opinions and advice. This arrangement will not in any way conflict with the position of Ministers nor in any way interfere with their administrations. To ensure that matters are kept flexible and mobile, I propose to appoint to my staff two economic secretaries, one of whom will also be my private secretary and these officers will also be members of Sir Ernest's staff. They will be responsible for keeping a continual flow of information between us and will be available to you and the heads of your Departments as channels through which information can pass. To facilitate matters, I suggest that Ministers and departmental officers use them as much as possible for the interchange of relevant information.

An exceptional man might have made something of the position of coordinator and might have developed under him an organisation which would have provided the Economic Cabinet with an efficient secretariat. Fisk, however, was limited first by his unfamiliarity with the task and even more seriously by the fact that he tried to carry out the duties from his office at the headquarters of Amalgamated Wireless in Sydney, travelling as he found necessary from there to Canberra. It would be unjust to say that the senior administrators and economic advisers already attached to the Government did no cooperate with him, but they were not unduly disturbed that his comparative inaccessibility, and unfamiliarity with the subject matter made it more expedient for them to work in the normal way through their own ministers to Cabinet.

The Economic Cabinet was formally constituted on 12th December 1939. Consequent on Cabinet changes its membership was varied in March 1940 by the replacement of Harrison by Thorby, of McLeay by Cameron, of Lawson by McLeay and of Holt by the new Minister for Supply and Development, Sir Frederick Stewart. After 14th April, Fadden, as Minister assisting the Treasurer, also became a member. It met fairly regularly once or twice a month from December 1939 until May 1940, and gave attention to a wide variety of matters, both questions of detail and broad considerations of economic policy. Its regular meetings appear to have lapsed about the end of May but nominally the arrangements continued.

In February 1941 the Cabinet asked Fisk to continue to devote part of his time to governmental services under the designation of Director of Economic Coordination but only dealing with such matters as might be referred specifically to him. Eventually on 2nd October 1941, after the conclusion of events described below, the new Prime Minister, Fadden, informed him that, in view of changes made in the administration, "it would be misleading to others, as well as unsatisfactory to yourself, if your designation of Director of Economic Coordination were continued". The arrangement had been untidy from the start and it was untidy in its conclusion.

A new approach, leading to a form of organisation that endured, was made in July 1941 by Menzies as the result of observations which he and his officials had made on the wartime governmental machinery in Great Britain. As part of the reorganisation for an unlimited war effort which he announced shortly after his return from abroad, and associated

with the creation of five new departments of state and the addition of five ministers to Cabinet, including a Minister and Department of War Organisation of Industry, Menzies formed an Economic and Industrial Committee of Cabinet, with the Treasurer, Mr Fadden, as chairman, and the Ministers for Supply and Development (Senator McLeay), Commerce (Sir Earle Page), External Affairs, Health and Social Services (Sir Frederick Stewart), Trade and Customs (Mr Harrison), Labour and National Service (Mr Holt), Transport (Mr Anthony), and War Organisation of Industry (Mr Spooner) as members. He appointed Professor Copland as Economic Consultant and liaison officer between the Prime Minister and the Economic and Industrial Committee, and designated the Secretary of the Prime Minister's Department, who was also Secretary to the full Cabinet, to be secretary of the committee.

It is interesting to note what was rejected as well as what was accepted at this time. In notes which were submitted to the Prime Minister, Mr Menzies, on 16th June—the day before he announced his "prospectus for an unlimited war effort"—the Secretary of the Department of Defence Coordination (Mr Shedden) proposed that a Minister and a Department of Economic Coordination be created to serve an Economic Cabinet in the same way as the Minister and Department of Defence Coordination served the War Cabinet and that a "Joint Economic and Industrial Staff" be formed to assist the Minister for Economic Coordination in the way the Defence Committee assisted the Minister for Defence Coordination.

Later, after the Prime Minister had announced the creation of an Economic and Industrial Committee of Cabinet and of five new departments, Shedden put forward a further submission, "Machinery for Higher Direction—Economic and Industrial Aspect", dated 3rd July 1941, in which he proposed that the Ministers for Supply, Munitions, Labour, Interior (which handled Works at that stage) and War Organisation of Industry should be constituted "a Production Executive of the Economic and Industrial Committee" and that the permanent heads of these departments should function as a "Joint Directing Staff". His suggestions for the mandate of Production Executive were—

(a) to organise the production of the munitions requirements of the services as approved by War Cabinet for both home defence and the expeditionary forces, and the fulfilment of orders accepted for other parts of the Empire and Allies;

(b) in order to achieve (a) in the shortest possible time, to make the necessary readjustments in civil industry, not only for this purpose, but also for effecting such additional restriction of production and consumption as is necessary to ensure the conservation of material and financial resources and the diversion of the latter to the war effort.

The Production Executive would report to the Economic and Industrial Committee major decisions on policy for endorsement. It would, however, be responsible absolutely for the carrying out of policy as approved. It would also furnish progress reports to the Economic and Industrial Committee.

Shedden spoke of his proposed Production Executive as approximating to the Bevin Committee in London and the Office of Production Management in Washington. He referred to the Economic and Industrial Com-

mittee, which he wished to have retained, as approximating to the Lord President's Committee in London, and he proposed that it should have "an absolute charter" on all questions relating to the national economy. It would also have its own "joint staff" composed of the Directors-General of Supply, Munitions, Manpower and War Organisation of Industry, the permanent heads of the Departments of the Treasury, Commerce, and Trade and Customs, the chairman of the Financial and Economic Committee and its own Chief Executive Officer. This Chief Executive Officer would also "coordinate the activities of the Production Executive and its Joint Directing Staff with those of the Economic and Industrial Committee and its Joint Staff".

No action was taken on these proposals by the Menzies Government. The functioning of the Economic and Industrial Committee of Cabinet was also halted by the political changes of August and September 1941, and there was no opportunity of seeing how it might have developed in use.

After a change of government, Shedden's proposals of 3rd July were resubmitted to the new Prime Minister, Mr Curtin, and undoubtedly were taken into account by him before he made a decision on 16th October to constitute a Production Executive of Cabinet. This fact is relevant to the subsequent development of Production Executive. It would appear that Shedden had in mind a body to expedite and organise the war effort rather than an Economic Cabinet. This was clear from its subordination in matters of policy to the Economic and Industrial Committee of Cabinet and from the fact that its proposed membership did not include the Treasurer, although that would have been essential if Production Executive were to be responsible for economic policy. Curtin would appear to have followed this idea and his original handwritten minute of 16th October read: "I desire to constitute a Production Executive to act as an equivalent administration behind the economic effort as Defence Coordination acts behind the War Cabinet". The Ministers named as members were Munitions (Mr Makin), Supply (Mr Beasley), Labour (Mr Ward) and War Organisation of Industry (Mr Dedman), and so it was publicly announced on 6th November. Later the membership was enlarged by adding on 12th December 1941 the Treasurer (Mr Chifley) and the Minister for Aircraft Production (Senator Cameron[5]); on 29th January 1942 the Minister for Trade and Customs (Senator Keane[6]); and on 26th February 1942 the Minister for Commerce (Mr Scully) and the Minister for Social Services and Health (Mr Holloway), making a total of nine and a representation closely comparable with that of the Economic and Industrial Committee formed by Menzies.

Curtin, in his public statement on 6th November, said:

> Higher machinery is needed to give effect to war production policy, involving the allocation of raw materials, production capacity and manpower. It is proposed that the Production Executive should function in relation to the economic effort much

[5] Hon D. Cameron. Senator since 1937; Min for Aircraft Production 1941-45; PMG 1945-49. B. North Melbourne, 19 Jan 1878.

[6] Hon R. V. Keane. MHR 1929-31; Senator 1938-46; Min for Trade and Customs 1941-46. Died 27 Apr 1946.

as the War Cabinet functions in respect of the war effort of the defence services .... It is proposed that in regard to manpower, the Production Executive shall coordinate the work of the Services Manpower Committee and the Department of Labour and shall ascertain the requirement of the services, the needs of industry and the designation of essential and non-essential industries. This will be done with full regard to future commitments whether of a services or industrial nature. The Production Executive will be charged with handling all the co-related factors which must be taken into account when new commitments, or extension of existing commitments, are contemplated. These include raw materials, manufactured products, power, light, transportation services, and manpower, as well as the requirements of the civil population located in or about the sites of defence projects. In a phrase, the Production Executive will relate productive capacity and production to the requirements of the services. Another phase of the Production Executive's work will be to examine the causes of delay in attaining objectives for which a definite date was set. That involves such factors as machine tools, materials, labour and industrial troubles. On the financial side, the Production Executive will ensure that urgency of execution of a project is blended with regard to economy. The calling up of men for duty and training must be constantly under review, both from aspects of cost and the diversion of manpower from productive to unproductive ends. That will be done, not so much by acting as a further reviewing authority but by ensuring that the aspect of economy is primarily regarded in the respective departments.

These purposes were redefined in the course of subsequent discussions. It clearly appears that Curtin did not intend the Production Executive to be an Economic Cabinet, but once Production Executive met it showed a lively disposition to elevate its own status to set out its functions in a manner that placed itself alongside the War Cabinet. A letter from Curtin to the Minister for War Organisation of Industry, Dedman, on 14th November 1941 concerning the responsibilities of the new body drew attention to the fact that its "title is not that of a Cabinet but a Committee of Ministers".

In a further letter of 11th December, Curtin pointed out to Dedman that the proposal for a Production Executive was based on a submission which recommended the adoption of the corresponding part of the United Kingdom machinery and that "corresponding part", i.e. the Bevin Committee, was subordinate to War Cabinet for policy. He continued:

Whilst the War Cabinet takes decisions on policy and on occasions initiates them itself, the bulk of submissions on policy arises from the Departments. Obviously, the Department of War Organisation of Industry, in common with other departments, will formulate questions of policy for decision by War Cabinet and will then give effect to what is approved. By policy I mean questions of major policy, for example a decision like that recently taken in Britain to concentrate industry into a lesser number of units in order to release manpower and other resources would be a major decision. The manner in which industry was reorganised and the human and material resources diverted to war activities would, in my view, be a matter for the Production Executive.

In reply to another attempt by Production Executive to describe its own functions, Curtin wrote to Dedman on 18th December, saying: "War Cabinet is responsible for war policy, and though the majority of matters dealt with relate to the defence services, War Cabinet's activities have never been confined to purely defence matters". He amended the opening paragraph of Dedman's submission to make it read as follows:

The War Cabinet is responsible for war policy and for determining the size and scope of the Commonwealth's war effort. Subject to this the Production Executive will function in relation to the industrial and economic effort much as the War Cabinet functions in respect of the war effort of the defence services.

Curtin also deleted "financial resources" from a list of subjects on which Dedman thought Production Executive should make plans. "In my original idea," Curtin wrote, "the Production Executive was to limit itself to raw materials, production capacity and manpower. I think it will have all it can cope with in these without adding financial resources, as the latter opens up wide questions of public finance and economic and social policy on which other departments are the main advisers." Curtin also refused to give Production Executive a directive under which they might appear to have an overriding power over the services in respect of the calling up of manpower. He limited their function to reviewing the effect on production of the calling up of manpower. A further attempt by Production Executive to define its own functions was made in a letter from Dedman to Curtin on 2nd April 1942, when he asked that the status of Production Executive as a Cabinet be placed beyond doubt, as "experience to date has emphasised the need for an authoritative instruction on these lines". There is no record of any reply by Curtin.

Undoubtedly with the need for handling a multiplicity of matters expeditiously, with the increasing of the membership of Production Executive so that it comprised roughly half the Cabinet, and with the growth in its own expertness and authority, Production Executive tended to grow in stature, but an examination of the 808 decisions it made in the course of four years up to its dissolution on 7th January 1946 shows that few major questions of economic policy were finally determined by it although it did often, by implication, adapt economic policies by its consecutive decisions on a host of minor matters. A considerable part of its work was the task of economic organisation and the carrying out of economic policy. It was still essentially a committee of ministers. It is incorrect to regard the wartime responsibilities of Cabinet as being cut into two halves and allocated to a War Cabinet and an Economic Cabinet respectively. An analysis made in the light of actual practice would result in a distinction between those functions which the War Cabinet discharged as an inner Cabinet and those functions which it discharged as an executive committee of Cabinet, in regard to the defence services. This second set of functions was matched on the economic and industrial side by the functions of Production Executive.

Like the War Cabinet the Production Executive was served by an efficient secretariat, based on a department, the Department of War Organisation of Industry, and headed for the greater part of the war by an experienced public servant, Mr Chippindall,[7] Director-General of War Organisation of Industry.

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[7] Sir Giles Chippindall, CBE. Ch Inspr Personnel PMG Dept 1934-41; Dir-Gen War Organisn of Industry 1941-45; Dir-Gen Posts and Telegraphs since 1949. B. Melbourne, 20 May 1893.

The War Cabinet was handling major questions relating to war policy and a mass of detail relating to defence; the Production Executive was handling the mass of detail on the economic and industrial side. Thus the full Cabinet tended to find itself left with the legislative programme, budgetary proposals, a variety of matters large and small which can perhaps be best defined as those affecting the cohesion of the Government itself, and a few questions that touched fundamental principles or raised acute controversies. It met less frequently than in peacetime. Its secretariat was provided by the Prime Minister's Department, with Mr Strahan[8] as secretary to Cabinet throughout the war.

Having followed the changes in the structure of Cabinet from the outbreak of war to the point at which the final wartime pattern was set down, it is now necessary to go back to 1939 to trace the parallel changes in the titles and responsibilities of the various portfolios.

At the outbreak there was a Minister of Defence responsible for all services. On 13th November 1939, in conformity with pre-war planning, the responsibilities of this portfolio were distributed among a Minister for the Army, a Minister for the Navy and a Minister for the Air and the Prime Minister himself took a new portfolio of Minister for Defence Coordination. On 12th September 1939, the portfolio of Information was created with Gullett as Minister, and, on the reconstruction of Cabinet on 14th March 1940, and with the decision to embark on a new and more dynamic information policy, the Prime Minister also took this portfolio. The next planned change was the creation of the Munitions portfolio on 11th June 1940, in response to the more urgent situation created by the fall of France, and the Prime Minister became Minister for Munitions. In the post-election Cabinet reconstruction of 28th October 1940 he confided the Munitions portfolio to the Minister for Supply and Development, and on 13th December 1940 gave the Information portfolio to the Minister for the Interior, leaving himself as Prime Minister and Minister for Defence Coordination.

The temporary holding by the Prime Minister of the portfolios of Defence Coordination, Munitions and Information for a few months during 1940, however, helps to illuminate another excursion into that problem of direction and coordination of the war effort. The assumption of these portfolios by the Prime Minister was associated with an innovation in Australian administration by the appointment of a new kind of Directors-General, who stood outside and above the public service, were attached to the Prime Minister and not to any other minister, and who were only a little lower than Cabinet itself.

The pattern of administration seen by Menzies was apparently that the central feature of a dynamic war effort would be the authority of the Prime Minister and Cabinet, which would reach down through the respective ministers to the existing departments of the public service and new instrumentalities and would also be served by having the direct aid

[8] F. Strahan, CVO, CBE. Sec Prime Minister's Dept 1935-49. Of Melbourne and Canberra; b. Fryerstown, Vic, 2 Jul 1886.

of a number of men designated Director-General, higher than the permanent head of a department. These positions would be filled by men of proved capacity and drive—great organisers of industry who in an emergency would see that machinery of government worked promptly and effectively subject neither to the limitations of red tape nor uncertainties as to what the Government wanted. In a sense they would fill a position on the civil side of the war effort comparable to that filled by commanders-in-chief in respect of the fighting services. Among the distinctive features of their position would be access to the Prime Minister, direct access to the War Cabinet, and exceptional power of direction, control and expenditure for the carrying out of their tasks. Three such appointments were made, the first was that of Sir Ernest Fisk as Director of Economic Coordination, the second was that of Mr Essington Lewis as Director-General of Munitions and the third of Sir Keith Murdoch as Director-General of Information. In one case, that of Lewis, the appointment led to one of the major administrative achievements of the war. In the other two cases the appointments led to signal failure. There may have been differences in the capacity of the three men for the tasks for which they were respectively chosen but, quite apart from any such differences, the results obtained were due to the nature of the tasks to be attempted. Lewis had before him a concrete and clearly defined task of increased production. The problems raised in the course of tackling that task were, for the most part, problems which could be overcome by the organiser and the energiser. It was a unique task and one so directly and immediately related to the winning of the war that there could be no confusion about its purpose or its final objective. Its purpose did not touch the prerogatives of any of the policy makers in other branches of the administration.

On the other hand the work to be done by the Director of Economic Coordination and the Director-General of Information were fundamentally political and touched contentious political issues at every turn. They were dealing with ideas as well as with methods, with people rather than with machines. Their final achievement would be to gain acceptance for a policy and for the consequential sacrifices by the electorate rather than the turning out of the tangible products of factories. Everything these Directors-General touched was inextricably bound up with other phases of the administration and the appointment of the Director of Economic Coordination at least ran counter to the habits and some of the duties of existing departments.

With the failure of the Economic Cabinet system and the relinquishment of the Information appointment by Sir Keith Murdoch, this approach to the wartime functioning of the Cabinet was not pursued further. The reversion to other methods was also necessitated by the political difficulties of the Prime Minister and the weakening of the membership of his Cabinet by the loss of three of his ablest Ministers in an aircraft accident and by his own absence in Europe. The Director-General of Munitions continued to occupy a unique position in wartime administration but when later appointments bearing the title of Director-General were made by both

the Menzies Government and its successors for the performance of special wartime tasks they were different in conception and in character. Some of the new Directors-General were given exceptional powers of direction and control for the purpose of carrying out designated tasks (for example, the Director-General of Manpower), but were in all cases subject to a Cabinet Minister other than the Prime Minister and were not accorded direct access to Prime Minister and War Cabinet. Others (for example the Director-General of Post-war Reconstruction and the Director-General of Social Services) were comparable with the permanent heads of departments who were usually designated "Secretary".

Further changes in Cabinet were made by Menzies by the creation of the additional portfolios of Labour and National Service on 28th October 1940 and War Organisation of Industry, Transport, Home Security, Aircraft Production and External Territories on 26th June 1941.

3—THE ADMINISTRATIVE MACHINE[9]

A growth in public expenditure by the Commonwealth from less than £100,000,000 in 1938-39 to over £700,000,000 in 1943-44 gives a rough indication of the way in which the machinery of administration grew in size during wartime. In the early part of 1938 the Commonwealth Public Service consisted of ten Departments—Prime Minister's, External Affairs, Attorney-General's, Treasury, Interior, Trade and Customs, Defence, Postmaster-General's, Health, and Commerce. Before war broke out these had been added to by the creation of the Department of Social Services and separate Departments of Civil Aviation (previously a branch of Defence) and Supply and Development (created after the passage of the *Supply and Development Act* 1939, and taking over some functions previously in the Defence Department).[1]

During the war seventeen new departments were created and several of the existing departments underwent considerable expansion and adjustment. Some of the changes would probably have taken place, war or no war, for example, the creation of a separate department of External Territories (formerly a branch of Prime Minister's Department) and the expansion of the Department of External Affairs (separated from Prime Minister's Department in 1934). Others were directly necessitated by the conduct of the war. The chief illustration of fission can be found in the Defence Department which, in 1938, embraced the three services, the munitions and supply machinery, civilian defence, manpower and the national register. In June 1939, the administration of matters relating to munitions and supplies was transferred to the Department of Supply and Development. Separate Departments for Navy, Army and Air, each with its own Minister, were created in November 1939, and the Defence Department became a Department of Defence Coordination with its own Minister. In October 1940, when the Department of Labour and National Service

[9] See also Appendix 2, "Innovations in the Structure of Government".

[1] See above Chapter 3, Section 4.

was created, the limited functions of Defence and of the munitions organisation in respect of manpower were gradually superseded by the wider manpower activities of the new department. In June 1941 a separate Department of Home Security was created for civil defence. In the meantime a similar process of fission had been going on in the Department of Supply and Development, which shed off the separate Department of Munitions in June 1940, under its own Director-General, although until July 1941 there continued to be only one Minister and only one Secretary for Supply and for Munitions. In June 1941 the Department of Munitions itself divided in order to create a separate Department of Aircraft Production. In June 1941, too, a new Department of Transport was created[2] to control and coordinate road and rail transport for war purposes and took over functions hitherto performed in the Department of the Army.

Thus, in the course of two years, administrative functions which had been originally in the Defence Department had been greatly expanded and spread over ten departments—Defence, Navy, Army, Air, Munitions, Supply, Aircraft Production, Home Security, Labour and National Service, and Transport—and had been joined in some of these departments to other functions which belonged only to wartime. Later other pre-war functions of Defence were undertaken in Treasury, where a Defence Division was created in December 1941, to take over the responsibility of financial coordination and review, and in the Department of Commerce, where Commonwealth Food Control was established in 1943 and included in its broad responsibility over the production and allocation of all Australian food supplies the particular question of supplies of foodstuffs for the services which had previously been under the Supply Department and, even earlier, under the Defence Department. A similar process was to take place much later in the Department of the Interior, which shed off a Department of Works in February 1945 (changed to Department of Works and Housing, July 1945) and a Department of Immigration in July 1945, after governmental decisions had inaugurated a post-war immigration policy.

Besides the necessity to reallocate pre-war functions among new departments because of the great increase of activity and of specialisation, a need was also quickly seen for special wartime services. Sometimes new departments were formed to discharge these services and sometimes branches or divisions of existing departments. No fixed rule seems to have been followed in this wartime organisation of new services. The status of a new instrumentality would appear to have been determined wholly by the conditions at the time of its creation, including the personalities involved and the need for liaison with an existing department. The first of these were the Prices Branch, which was attached to the Department of Trade and Customs but to all intents and purposes functioned as a separate department, and the Department of Information. Others were Labour and National Service, created in October 1940, and War Organisation of

[2] See also p. 467 below.

Industry created in June 1941. An Import Licensing Branch was established in the Department of Trade and Customs in December 1939 in connection with the control of imports and the reduction of imports either by restriction or the finding of substitutes, and eventually merged into a Division of Import Procurement which was established in the Department of Trade and Customs in September 1941.

Another major device of wartime administration was the creation of boards and committees. A good deal of fun can be made of committees as a method of producing both a feeling of importance among members and a great deal of paper for everyone else, and undoubtedly a number of wartime committees were fit subjects for ridicule. The creation of a committee was also sometimes the politician's easiest way of getting rid of the awkward topics or the pestiferous enthusiasts who cluttered up administration. In the press of wartime administration, too, the appointment of a committee or the receiving of a committee's report were sometimes mistaken for a substantial decision. When all has been said in ridicule or criticism of committees, however, there is still solid merit in the method.

Perhaps not enough care was always taken in the use of the terms "board" and "committee". In general a board was used to mean a body appointed by the Government to carry out a defined executive function—Board of Business Administration, Shipping Control Board, Navy Board, Army Board, Air Board, Land Valuation Board, Central Contract Board —and it was generally of an official character; while a committee was generally a body formed for purposes of consultation and representative in character. There are also traces of an idea that a board was a permanent part of the administrative structure while a committee was formed to give attention to a special problem. Numerous exceptions and contradictions to this attempt at definition can be found. There were temporary non-official boards which were representative and advisory, and committees which were permanent and executive. Other terms such as council, panel, and commission were also used for bodies which performed functions comparable to those of boards and committees. The inexactness of the terminology probably assisted the misunderstanding about the purpose and value of such wartime creations.

A broad classification would identify first those boards, committees, councils and commissions which became an integral part of the wartime administration, charged with executive functions and served by a permanent staff. In their functions they were comparable with branches of departments. Such bodies differed from the usual departmental structure chiefly because they were a device for bringing into wartime administration experts or persons of high standing, either for full-time or part-time duty, or for associating in one executive task representatives from various branches of the administration or of the community. Secondly the classification would also identify those bodies, representative in character, which were used for purposes of investigation, consultation, and advice; and thirdly those bodies, also representative in character, which were used for coordin-

ating the activities of various authorities and establishing liaison between them.

In these three cases, the value of the committee system was that it offered a means of attracting into the service of the administration men with exceptional qualifications and of using part-time and sometimes in an honorary capacity the experience and specialised knowledge of men who remained outside the administration. It also afforded a means of associating with the central administration those existing organisations or authorities (including both State and semi-governmental authorities) which already had the machinery and the powers for undertaking certain specialised tasks, and it provided a means of ensuring the cooperation in administration of sections of the community most directly affected. Primary producers, manufacturers, shipowners and many others who necessarily carried on with their own activities were thus drawn into a common war effort. The committees also yielded specialised knowledge and advice from experts. This was especially true in the early days of the war when the public servant or the minister charged with administering a wartime control customarily knew little of the thousand and one details and the many intricacies relating to the products and processes of a particular industry. Furthermore the committee system, by giving representation to the sections of the community, was essentially part of a democratic ideal of associating the governed with the government. It helped to supply deficiencies of knowledge and ensure that no interest was overlooked. As the war effort expanded and the agencies of administration multiplied the committee system became one of the chief means of liaison and coordination among authorities, for the pooling of ideas, for the removal of duplication and for the delimiting of functions.

Committees, however, are not good executive bodies and administrators tended to become impatient of them. When there was time they had a committee; when there was no time they went ahead in disregard of the committee. Moreover, as the war progressed the stock of knowledge and experience within the administration itself made it independent of external aids, and the Government itself became more and more authoritarian.

Many a committee which had started with a fine show petered out in the course of the war. Many a committee which had once been accustomed to handle everything in its field woke up to find that the Government was taking a short cut behind its back. In general those which lasted were those with executive functions, representing existing authorities and interests which could not be ignored.

At the same time, during the second half of the war, there were signs that a new value was being discovered in committees and that their functions were changing. Instead of being a link in a chain of administrative action they became a slipway through which many chains could run. They provided a means by which decisions could be more widely understood and action by the responsible agencies could be carried out more smoothly and consistently. The committee spread knowledge and harmonised action without itself claiming responsibility.

It would be impossible within the scope of this volume to give an account of activities of all wartime departments and special wartime authorities. The history of each of them and the recital of its achievements more properly form the subject of separate departmental histories. There are two fields, however—the central organisation for defence and the organisation for production and supply—which are so closely interwoven with political developments in Australia during the war that some account of them is necessary in order to illuminate the larger story.

A.—The Central Organisation for Defence.—From the inauguration of the Commonwealth there had been a Minister for Defence and a Department of Defence responsible for all three services, munitions and supply. During the 1914-18 war a separate minister for the navy was appointed in July 1915, but after the war the portfolio was abolished and the department again merged into Defence on 21st December 1921. Between the two wars, the forces were too small and the munitions and supply activities too restricted to require more than one portfolio.

Before the war, the Cabinet was assisted in the determination of defence policy by the Council of Defence, a statutory body created under Section 28 of the *Defence Act* to consider and advise upon any questions of defence policy or organisation referred to it by the Prime Minister or Minister for Defence. The Council, of which the Prime Minister was chairman, was formed of a selected group of ministers together with the three Chiefs of Staff and the Secretary of the Defence Department. At the outbreak of war, in accordance with the plans approved in 1938, it was replaced by the War Cabinet and the readiness with which the War Cabinet was able to operate was in part due to the fact that it was the inheritor of the functions of the Defence Council.

There was also a Defence Committee composed of the three Chiefs of Staff and an officer of the Secretariat of the Department of Defence, and able to consult, as required, with the Controller-General of Munitions, the Controller of Civil Aviation and the Chairman of the Principal Supply Officers Committee. This committee, which had been brought into existence by ministerial direction on 15th May 1926, had been more formally constituted on 8th March 1929 by the promulgation of a Defence Committee Regulation under the *Defence Act, Naval Defence Act* and *Air Force Act*.[3] The functions of the Defence Committee were to advise the Minister for Defence on defence policy as a whole; the coordination of the operations and requirements of the Naval, Military and Air Boards in their administrative sphere; the coordination of the operations of the Munitions Supply Board in relation to the requirements of the several services; the financial requirements of defence policy and the allocation to the respective services of the funds made available; the coordination of civil aviation with defence requirements; and all matters of policy or principle affecting the organisation and distribution of such air forces as might be established. The Defence Committee continued to function

[3] Statutory Rules 1929, No 26, amended by Statutory Rules 1938, No 81, 28 Jul 1938.

throughout the war both in the preparation of matters to go before the War Cabinet and in examining particular questions referred to it by the War Cabinet.

Before the war the three Chiefs of Staff had also functioned corporately in preparing strategical appreciations and operational plans and, pursuant to pre-war proposals, a Chiefs of Staff Committee was established at the same time as the War Cabinet in September 1939. Its function was to advise in regard to operational matters and strategical appreciations. The Chiefs of Staff customarily, though not automatically, attended the War Cabinet meetings and were both the advisers and the executive agents of War Cabinet. They were responsible for operations and for the issuing of orders to the respective services in accordance with its decisions. Pre-war proposals were progressively adapted to wartime experience and led to the creation of an organisation for coordinated control of operations centred on the Chiefs of Staff. The main features were a central war room and combined operational intelligence centre at Victoria Barracks, Melbourne; Area Combined Headquarters for naval and air cooperation in trade defence in the focal areas; and Combined Defence Headquarters for coordinating the operations of the naval, military and air forces allotted for the defence of those areas which included a defended port.[4] After June 1941, when the probability of attack on the Australian mainland had increased, an organisation was worked out for preparing joint operational plans by the Chiefs of Staff Committee for the defence of Australia as a whole; by Command Planning Committees for the defence of the various army commands; and by Local Defence Coordinating Committees for the defence of coastal areas.[5]

In practice, however, the Chiefs of Staff came to have less authority than the theoretical pattern of defence organisation appeared to give them. In contrast with the United Kingdom Chiefs of Staff the Australian Chiefs of Staff did not, in fact, exercise any responsibility for operations but found their individual functions limited to administrative matters concerning their respective services, while their corporate functions on the Chiefs of Staff Committee were confined to technical matters, such as the making of strategical appreciations for the Australian Government, although in the Defence Committee they continued to have a share in other matters relating to Australian war policy and administration.

Soon after the outbreak of war each Australian service delegated control of the greater part of its force and the central service organisation tended to become a body dealing only with administration and training. General Blamey, as commander of the A.I.F., was not under the control of the Chief of the General Staff. The A.I.F. was to be placed under the operational control of the Commander-in-Chief of the theatre in which it served, and "administration of the force in domestic matters" was Blamey's "prerogative", subject to general control by the Minister for the Army, and instructions to him were to be issued from the Secretariat by direction

[4] War Cabinet Agendum 74/1941 and War Cabinet Minute 847, 27 Feb 1941.

[5] War Cabinet Agendum 286/1941, War Cabinet Minute 1329, 3 Sep 1941.

of the Minister. He had the right to communicate direct with the Australian Government. Questions of policy regarding the employment of the A.I.F. were to be decided by the United Kingdom and Commonwealth Governments in consultation. In the case of the navy the control of most ships was delegated to the British Admiralty. In the case of the air force the Australian Government agreed to a plan whereby the main Australian contribution was to train air crews and send them to the R.A.F.; squadrons sent overseas were under the operational control of the theatre commanders.

Thus matters of general policy were lifted to the level of inter-governmental communication—in respect of which, of course, the advice of the Chiefs of Staff might be tendered to the War Cabinet—and operational questions seldom if ever arose in Australia.

For a period late in 1941 and early in 1942 the Australian Chiefs of Staff were faced with strategical problems in the Far East, and, as recounted in other chapters, made their contribution to the Australian attempt to reach an appreciation of the situation in that region. At the same period, however, a further illustration of the uncertain position of the Chiefs of Staff can be found in the appointment of Lieut-General Mackay[6] as G.O.C. Home Forces from 1st September 1941 to 5th April 1942. Mackay was subordinate to the Chiefs of Staff but had direct access to the Minister for the Army—an unworkable arrangement.

Early in 1942 all arrangements hitherto existing were changed by the inclusion of Australia in an Allied Area of Command under the operational control of a Supreme Commander. The Supreme Commander, General MacArthur,[7] issued orders direct to Australian commanders. His communication with the Australian Government was to the Prime Minister and Minister for Defence, with the Defence Department as the only intermediary. Blamey was appointed Commander of Allied Land Forces in the South-West Pacific Area and Commander-in-Chief, Australian Military Forces. His appointment as C.-in-C., A.M.F., replaced the Military Board, the members of which became the Principal Staff Officers to the Commander-in-Chief. The Chief of the General Staff therefore became, in effect, the Chief of Staff to Blamey.

The arrangement which was workable in the case of the army, largely owing to the strength and political aptitude of Blamey, did not apply in the case of the air force. After G.H.Q., South-West Pacific Area, had sought and obtained the appointment of a single Australian in whom it had confidence to command all Australian combat air forces delegated to it, the Australian commander, Air Vice-Marshal Bostock, maintained that he should receive orders only from the Commander of the Allied Air Force

[6] Lt-Gen Sir Iven Mackay, KBE, CMG, DSO. GOC 6 Div. 1940-41; GOC-in-C. Home Forces 1941-42; GOC Second Army 1942-44. High Commnr. for Aust. in India 1944-48. Schoolmaster; of Sydney; b. Grafton, NSW, 7 Apr 1882.

[7] Gen of Army Douglas MacArthur. Ch of Staff US Army 1930-35; CG US Army Forces in Far East 1941-42; C-in-C SWPA 1942-45; Supreme Cdr Allied Powers in Japan 1945-51. B. Arkansas, USA, 26 Jan 1880.

(Kenney[8]) and none from the Australian Chief of the Air Staff. Part of the surrounding difficulty was that, for operational purposes, the R.A.A.F. would have to be closely integrated with the American Air Force, whereas the Australian Army was a distinct and substantial part of Blamey's command. The upshot of it all was that the air force did not find its Blamey, in spite of several attempts.[9]

In summary, it would be difficult to represent in a single diagram the position of the Chiefs of Staff in the central organisation of defence in Australia, but it would be certainly incorrect to mark a clear and single line of authority from the War Cabinet or Service Ministers to the Chiefs of Staff, and thence to lower levels. The effective power in the waging of the war was exercised, below War Cabinet, in the operational commands and in the Defence Department.

As already related, shortly before and shortly after the outbreak of war, the Defence Department was divided and most of its detailed administrative functions distributed among separate Departments of the Navy, Army, Air and Supply and Development. Certain residual functions (e.g. in relation to the national register and civil defence) remained undistributed and, moreover, none of the new departments was equipped to handle alone those matters of higher policy which were common to all branches of defence. The appointment of the Secretary of the Defence Department as Secretary of the War Cabinet, the Defence Department's membership of the Defence Committee, and the manifold duties of a central secretariat entailed the maintenance of a department other than those concerned with the three services, munitions and supply. Added to this practical necessity to retain a Defence Department was the argument that a coordinating authority was required. Thus the Defence Department (including the secretariat of War Cabinet), the Defence Committee, Chiefs of Staff Committee and the remainder of the joint service machinery, together with the Board of Business Administration became the Department of Defence Coordination.

Contemporary diagrams express the view that, while the Departments of the Navy, Army, Air and Supply and Development, like other Commonwealth departments, would have a direct channel to the Cabinet and War Cabinet on major questions of general policy and on matters relating to the administration of their own services, they were intended to be subsidiary to the Department of Defence Coordination in matters of higher defence policy. The parent department also retained a function of coordinating their activities.

The functions laid down by the Prime Minister for the Department of Defence Coordination made it responsible for "the coordination of defence activities". Its task of coordination covered "all matters of defence policy", the "activities and requirements of the Navy, Army and Air Departments in the administrative sphere", "the financial requirements of defence

[8] Gen George C. Kenney. Comd Fourth US Air Force 1942, Allied Air Forces SWPA 1942-44, Far Eastern Air Forces 1944-45. B. Yarmouth, Nova Scotia, 6 Aug 1889.

[9] See the first and second volumes of the air series.

policy" including the reviewing of the major financial proposals and expenditure of the three service departments and the Supply Department, and the works requirements of these departments.

Although the three service departments developed some individuality and ambition of their own, that relationship continued through most of the war, and when, in April 1942, the Department of Defence Coordination had its name changed back to Department of Defence, the change did not mean that it had surrendered its function of coordination but rather that it had asserted its supreme concern with the overall questions of defence policy and left the narrower field of the administration of particular services to its juniors. The pattern of the initial reorganisation was also shown by the appointment as secretaries of the three new service departments of those civil officers of the old Defence Department who had held the post of Finance Member of the Naval Board, Military Board and Air Board respectively.

The Department of Defence Coordination (and, after April 1942, the Department of Defence) was in fact the central and, in some respects, the supreme component of the machinery for the higher direction of the war because, throughout the war, the Prime Minister himself held the portfolio of Defence Coordination or of Defence; the department was the Secretariat of War Cabinet and all business flowing to and from War Cabinet passed through it; and its organisation embraced the Defence Committee and the Chiefs of Staff Committee, for both of which it provided the secretariat, as well as being represented on the Defence Committee. When in 1942 the appointment of an Allied Supreme Commander over an Allied Command Area tended to subordinate some parts of an organisation which had been devised for purely Australian needs, the new method of direct and personal communication between Prime Minister and Supreme Commander retained the Defence Department at the centre. It became less and less an executive body and more and more an "inner room" department; less and less the conscious coordinator and more and more the assembler of ideas and the moulder and distributor of decisions. Its influence became quieter, its knowledge more extensive and its share in the conduct of the war greater. It occupied a position unique and unrivalled among Commonwealth departments. The special wartime conditions which required the Prime Minister to be the leader and director of the nation in a sense unknown in peacetime also elevated the Defence Department to a singular position in the administrative organisation. The Australian wartime Prime Ministers did not surround themselves with a personal corps of confidants or advisers and, therefore, in those matters relating to the conduct of the war which were handled by the War Cabinet and in those matters handled directly between the Prime Minister and the Supreme Commander, the Defence Department, acting in correct public service tradition, filled the role.

The influence of the Defence Department on important decisions on wartime policy was mainly exercised (a) by initiating action for the review of important aspects of war policy and, (b) by examining all agenda

submitted for consideration by the War Cabinet and preparing notes on them for the information of the Prime Minister and Minister for Defence, who presided over the War Cabinet meetings. A close examination of the papers submitted to the War Cabinet on major matters, especially during the time of the Curtin Government, leaves no doubt of the influential role of the Defence Department both as an initiator and moulder of decisions. On the major questions of the adjustment of the war effort in 1943, involving changes in manpower policy, the influence of Defence was probably greater even than was realised by other departments closely involved in the detailed work.

The Secretary of the Department, Shedden, had been trained for the job both in the Defence Department and by a course at the Imperial Defence College and was a good public servant in the best English sense of the term, consciously following in the steps of a great English public servant, Lord (formerly Sir Maurice) Hankey. Behind his back Shedden was sometimes called "the pocket Hankey" but, except insofar as the phrase acknowledged a debt and made allusion to the physical proportions of Shedden, it was an inadequate description for he had substantial merits of his own; he was a highly capable public servant and one of the few outstanding men on the civil side of the Australian war effort. Discretion, orderly arrangement and careful groundwork were so large a part of his training and his method that his achievement was often hidden.

While the Defence Department was drawing more and more into the higher direction of the war and its life was revolving more and more around the War Cabinet and Defence Committee, a further devolution of administrative tasks was taking place. One of the functions given to the Department of Defence Coordination on its creation in November 1939 was that of financial coordination and review. This was, in effect, the work which, before the division into new departments, had been carried out in the Central Finance Branch of the Defence Department. There were two aspects of financial control—one related to the allocation of moneys to ensure that expenditure conformed to a total programme of defence; the other related to the supervision of expenditure to ensure that there was no repetition of the charges of waste or misapplication of funds which had followed the 1914-18 war. The second aspect in particular induced great caution in administrative circles in the early stages of the war and great care by each public servant to ensure that at any inquiry he at least would be able to say—to quote a phrase current in the service —"Well, at any rate, my nose is clean." The Treasury, too, was as yet familiar only with the peacetime scale of expenditure and distrustful of enthusiastic soldiers and planners who talked in millions. The rapid increase in expenditure—the expenditure from revenue and loan under the heading of "Defence and War Services" rose from £8,000,000 in 1938-39 to £320,000,000 in 1941-42, and £545,000,000 in 1943-44—presented numerous practical accounting problems, while the urgency of the need and the changing situation made exceptional demands for promptness and flexibility in approving expenditure. The Treasury's responsibility in regard

to Appropriation and Supply; the responsibility of Defence Coordination to balance the claims of the various services and the supply organisation in conformity with the War Cabinet's decisions on policy and to assist the War Cabinet to keep the progress of war expenditure continually under review; the urgent and changing claims of the services and their constant demands to increase or vary their appropriations; the political as well as the constitutional responsibility of the Government in respect to appropriations and the constant public interest in public expenditure—all these called for novel administrative arrangements.

The Treasury interest in defence expenditure was first served by the appointment in August 1939 of one of its officers with audit experience as a liaison officer between the Treasury and the Defence Department. After the outbreak of war, the Menzies Government appointed a Treasury Finance Committee, reporting direct to the Treasurer "to establish adequate Treasury financial control". Sir Walter Massy-Greene, a former Cabinet Minister who had retired from politics in 1938 and who had extensive business interests, was appointed chairman, and the other members were a representative of the Defence Secretariat, the Finance Members of the Naval Board, Military Board and Air Board (later the Secretaries of the Departments of the Navy, Army and Air) and a representative of the Treasury (in practice the Treasury liaison officer). The function of the committee was "to examine and report on such technical and financial matters as may be referred to it". As the war progressed, however, the need became clearer for the more highly specialised financial training of the Treasury to be used in the handling of defence and war expenditures and for the separation of this branch of defence administration from those questions related to the higher direction of the war in which the Department of Defence Coordination was becoming more narrowly concerned.

At the end of 1941 a Defence Division was formed in the Department of the Treasury and took over from the Department of Defence Coordination its function of financial coordination and review and the coordination of civil defence staffs (other than the public service). The Finance Section, the Staff Section and the services provided for the Board of Business Administration and the Treasury Finance Committee were transferred from Defence Coordination to the Defence Division of Treasury. The Treasury liaison officer became Treasury representative in charge of Defence Division and chairman of the Treasury Finance Committee. The functions of the Defence Division of Treasury were to examine and coordinate major financial and accounting proposals affecting the Departments of Navy, Army and Air and to consult with the services and advise them on the financial aspects of matters of joint service interest. It also provided executive assistance and accounting inspection services for the Board of Business Administration.

The origin of the Board of Business Administration lies in the 1914-18 war. In 1917 a Royal Commission appointed to inquire into the administration of the Defence Department recommended that a Board of Business Administration, consisting of three business men, should be established to

take control of the business sections of the Defence Department subject only to the Minister, with subordinate business boards in each State. Such a board was appointed in 1918.[1] That board was responsible, among other things, for the purchase of supplies and for the management of factories and transport services. At the outbreak of war in 1939 such of its functions as were still relevant were in the hands of the Naval Board, Military Board and Air Board or the Department of Supply and Development, and when the three separate service departments were created they each carried into their organisation the functions and machinery of the respective service boards. The creation of the new Board of Business Administration removed from their field the functions of review, inspection and approval of expenditure but did not take over any of their executive responsibilities.

The Board of Business Administration was created by regulations made under the *National Security Act* 1939 in December 1939.[2]

The establishment of the board, on the initiative of the Defence Department, grew out of the pre-war planning. At the beginning of 1938 the Government had appointed an Advisory Panel on Industrial Organisation to advise on the broader principles of the work of the Principal Supply Officers' Committee and the functions of this panel were subsequently extended to include (i) a study of the measures necessary for industrial mobilisation of secondary industry beyond those contemplated by the Principal Supply Officers' Committee, which related to service requirements only, and the preparation of the necessary plans and (ii) consultation on important business matters associated with the defence programme.

On the creation of the separate Department of Supply and Development in June 1939 the Advisory Panel on Industrial Organisation was transferred from the Defence Department to the new department. This left a gap in the defence machinery as the panel was busily engaged for the Department of Supply on its major function of industrial mobilisation and could not be expected to devote the time required for advice on business aspects of the expanded defence programme. Seeing this gap, the Government had it in mind before the war to appoint a business consultant to the Defence Department and immediately after the outbreak of war, with the sudden acceleration of purchasing, took the first step by appointing two such consultants—Mr Essington Lewis to advise on matters relating to equipment, stores and munitions and "business questions generally" and Mr Norman Myer[3] to advise on clothing and textile requirements. Together the two consultants formed an Advisory Business Committee, Mr Lewis being designated chairman.

Following the reorganisation of the Defence Department into separate Departments of Defence Coordination, Navy, Army and Air in November 1939, the Business Consultants were converted into the Board of Business Administration, Sir George Pearce being added to their number and made

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[1] E. Scott, *Official History of Australia in the War of 1914-18*, Vol XI, pp. 278-81.

[2] Statutory Rules 1939, No 182, 22 Dec 1939, subsequently amended by Statutory Rules 1940, No 221; 1941, No 27; 1942, No 58; and 1943, No 44.

[3] Sir Norman Myer. (Served in 1st AIF.) Company Director; of Melbourne; b. Russia, 25 Oct 1897.

responsible for general administrative matters. Lewis continued as chairman. Its services were available to the service ministers and departments and the Minister and Department of Supply and Development, and to the boards functioning under those departments, but it was responsible to the Minister for Defence Coordination.[4]

The board's main functions were to advise the Government concerning "expenditure or proposed expenditure for any purpose connected with the defence of the Commonwealth or the prosecution of the present war", the progress of defence preparations, and the business organisation and administration of the departments, the general purpose of its reports being to promote efficiency and economy. It was given powers of inspection and an extremely wide discretion "to submit reports on any matters which, in the opinion of the board, it is desirable to bring under the notice of the Minister". Business Administration Committees were created by the board in each State and powers delegated to them to enable them to assist the board in reviewing expenditure and carrying out investigations and expenditure. It was assisted by an Inspector-General of Administration and a staff of inspectors in all States. The departments covered by it were Navy, Army, Air and Supply and Development (in respect of its activities in relation to the supply of defence requirements).

The procedure laid down after its creation required departments to obtain the board's approval before entering into commitments for expenditure. As the result of experience, the board laid down the various classes of items and minimum amounts in each category which should be submitted to it. The board's approval, which was intended to ensure economy and sound business methods, did not of course replace the need for approval by the appropriate statutory authority for the incurring of expenditure. Major additions to the defence programme might be examined by the board before their adoption by the Government with a view to reporting in broad terms regarding their nature and cost and, after approval by the Government, would come back to the board for closer examination and authorisation of the expenditure.

The practice of the Board of Business Administration can be best illustrated by a few concrete examples from 1940. After the unsatisfactory deliveries of clothing and clothing materials had been brought under the notice of the War Cabinet, the board was asked to report on "the machinery for demanding, supplying, ordering, inspection, following up deliveries, and payment of accounts, with particular reference to the present allocation of these responsibilities, the efficacy of their performance and whether any change is desirable in the whole or any part of service supplies". On other occasions it drew attention to such small matters as that the army was hiring bicycles at a higher rate than instalment payments on a hire purchase machine, so that a hirer could show a profit of eighteen pence a week and at the end of twelve months be the owner of a bicycle purchased for him by the Commonwealth Govern-

[4] See Defence Department file 437/262, containing Ministerial minute of 31 Sep 1939, and Board of Business Administration file No 1.

ment. It drew attention to a proposal to place an order for absorbent gauze at double the cost prevailing in London. It questioned the placing of orders in the dollar area when some of the material ordered was available in Australia or elsewhere in the sterling area. It pointed out that the reserves in certain Australian orders for equipment and clothing were 100 per cent and 200 per cent while the British usage was 30 per cent. Large and small matters were constantly under scrutiny in the interests of economy and business efficiency and against waste, duplication or faulty financial procedure. It was estimated that during the course of the war the board, by its recommendations, was able to bring about direct savings of approximately £7,000,000 but savings of an indirect and recurring kind would undoubtedly total a greater amount.

When Lewis was appointed Director-General of Munitions in June 1940 he was succeeded as chairman by Sir George Pearce who remained in office until the board ceased to function in December 1947. A former Minister for Defence whose experience in office stretched back to the 1914-18 war, he was a diligent, shrewd and unruffled administrator who knew the defence organisation, knew Cabinet, and knew the community and Australian industry, but had no axes to grind or favours to confer.

The board has come under some criticism on the one hand from the services who complain that it was a brake on quick action and on the other hand from administrators who say that it was superfluous. The second criticism is perhaps the more substantial one so far as it is applied to the period after the creation of the Defence Division of Treasury; but, even though the Defence Division may have been competent to watch extravagance or misuse of funds and could facilitate spending, the board added an experience of the commercial and industrial world that might not otherwise have been found. The first criticism usually came from those officers whom, by design, the board was created to restrain.

B.—Production and Supply.—The administrative machinery for defence appears single and direct in comparison with the organisation related to production and supply. This was in part due to the fact that much of the wartime administrative activity on the side of production and supply was completely new to Australian government and the pre-war organisation was of limited use for the wartime tasks. The major reasons, however, lie in the very complexity of planning and controlling the economy of a state. On the one hand the final goal of economic administration could not always be seen singly and with exactness. On the other hand every move towards it was surrounded by a conflict of interests. Whereas Australian governmental machinery had not recently been engaged in the waging of a war, it had been engaged continuously and intensively in matters relating to the peacetime trade, industry and finance of the country. That experience had not produced a number of ready-made and efficient agencies for wartime administration but rather a number of authorities firmly embedded in peacetime habits.

First it is necessary to describe more clearly the field of administration

which is now under consideration. The organisation of the material resources of a nation at war come to a point in the two functions of production and supply—the producing of the materials of war by using the resources under the control of the nation and the obtaining, assembling and distributing of the materials of war. Materials of war cover an enormous range of human necessities and articles used in combat or defence. At one end of the list are the daily food, clothing and shelter needed to keep a civil population healthy, efficient and in good heart and at the other end of the list are bombers, battleships and a clip of cartridges.

Although such terms as "production" and "supply" are broad enough to cover the whole field of national endeavour, they can only do so if each is understood to embrace a great number of intertwined activities.

Production, in its simplest sense, covers the growing of crops, the winning of ores, timber and fuel, the generation of power, the processing of materials, and the manufacture of commodities, implements, machines, weapons and munitions. It also means the bringing together of the men and the materials, the machines and the power in the right place in order that they may produce. One act of production may be necessary to another act of production. Production involves transport, constructional works, the provision of services and amenities, and an organisation which stretches back behind the final act of production to ensure that all the conditions essential for production are realised, and stretches forward to ensure that production leads to effective use.

Supply, in its simplest sense, covers the arrangements by which any kind of product is obtained and delivered at the point where it is to be used. It covers both the products of the nation's own industry and the products of other nations. It ranges from the fertilisers needed for the growing of crops and the metals needed for the foundry to the eyelet holes for an infantryman's boots, the components of a radio transmitter, a Spitfire aircraft and the fuel with which to fly it. It involves the placing of orders, arrangements for delivery, storage and paying of bills. In one sense supply may be the handmaiden of production obtaining what is needed in field and mine and factory that they may produce; in another sense production is the servant of supply, labouring to meet the demands which the supply organisation presents.

Common to both production and supply and inextricably linked with the processes peculiar to each are those overall arrangements for the control and direction of a nation's resources which combine to form national economic policy. As the resources of a nation are committed more and more to the single object of winning a war and as every decision of production and supply appears more clearly as the choice of one use of resources and the rejection of another use, so the routine and mechanical acts of producing and supplying can be seen as subsidiary to the planning and determination of what the nation's war effort shall be in economic terms. In practice, however, so simple a view is hard to attain. The political and administrative reality is that policy is shaped largely by adding one decision on top of another decision and not by seeing all that is and will

be in one great eagle vision. Further, a war effort accumulates gradually, drawing on resources bit by bit as need arises.

Most of those with experience of wartime administration would probably agree that planning should be rooted in administration and that the best agency for making plans is not an aloof "brains trust", but a body sharing the responsibility of applying the plans. The question then arises whether all departments should share in this policy-making or whether some selected departments (for instance those handling manpower and finance) should be given a superior position in planning over departments which are only engaged in placing orders, producing articles, creating stocks or controlling commodities. It is doubtful, however, whether it is feasible, even if it were wise, to restrict any department to narrowly-defined functions of managing the affairs confided to it in the same way as a public utility is managed. If rationing is being used as an instrument of policy can the work of a rationing commission be strictly limited to the administration of that control to serve purposes laid down by some other authority or can the rationing commission also contribute to the shaping and defining of those purposes? Does the answer, whatever it is, apply also to the departments concerned with the control of prices, procurement of imports, the manufacture of munitions, the production and storage of foodstuffs, the control of manufacturing for civil use and so on? Yet if all departments are policy-making departments some special arrangements will have to be made to maintain consistency or to draw together their various conclusions into a common policy. Machinery for coordination may have to be devised.

In the peacetime pattern the economic side of administration in Australia was divided among departments such as Treasury, Trade and Customs, Commerce and the newly-established Supply and Development. Each department and each ministerial head had an equal chance and an equal right in economic policy-making. Administration ran in parallel perpendicular lines and singleness of policy was ensured, not by a pyramidal diagram but by the agreement reached among ministers in Cabinet and, at a lower level, by inter-departmental conferences and consultation. The wartime tendency was to increase greatly the number of perpendicular parallel lines in the administrative pattern. Some of the lines might be thicker and bolder than others but all rose to the same level in Cabinet and, however far they were extended in either direction they did not touch. Would Cabinet and inter-departmental conference be sufficient to relate them to one another in times of great urgency and a multiplicity of affairs?

As already indicated, the creation of an Economic Cabinet and the appointment of Fisk was intended to serve the purpose of coordination. An earlier means for planning and coordination at the lower level had existed in the pre-war planning organisation represented by the Seaborne Trade Committee and the Financial and Economic Advisory Committee.[5]

[5] See Chapter 3.

The Seaborne Trade Committee linked the Departments of Supply, Commerce, Trade and Customs and Treasury and included in the representation of those departments were two senior economists of the public service, who were also members of the Financial and Economic Advisory Committee. Later the coopting of additional members of both committees gave them an even wider representation of departments. In these two bodies might have been found the nucleus of the secretariat of an Economic Cabinet, the inter-departmental machinery of coordination and a planning body. The failure to realise the full possibilities may be found partly in the reasons that led to the failure of the Economic Cabinet, the creation of which, together with the appointment of a Director of Economic Coordination, tended to overlay and crush the earlier committees; partly in the insistence by the established departments on their rights to run their own affairs; and partly in the fact that the members of these two bodies were diverted more and more to the daily routine of wartime administration, the chairman of the Seaborne Trade Committee, Professor Brigden, becoming responsible for the whole burden of munitions and supply.

The Seaborne Trade Committee appears to have been used less and less after April 1940 and to have lapsed early in 1941. During its brief early period of activity it had prompted the Government to make administrative arrangements for price control, liquid fuel rationing, import and export licensing and related controls. The related expert body of economists known as the Financial and Economic Advisory Committee lasted throughout the war. It had been set up originally by the Prime Minister at the prompting of the Defence Department for advice on certain economic aspects of pre-war planning and immediately after the outbreak of war, acting on a submission put forward by Dr Roland Wilson, the Treasurer, Mr Casey, approved its attachment to the Treasury where, apart from other useful links, it would have the aid of the research section of the Commonwealth Bureau of Census and Statistics (at that time the only group of professional economists in the Commonwealth administration). At the same time its membership was enlarged to take in the Economic Adviser to the Department of Supply, and the Prices Controller, and Professor Giblin was appointed full-time as a salaried chairman. The purpose described in Wilson's submission of 12th September 1939 was to "constitute a small central thinking committee to which all sorts of problems could be submitted for general advice. Its functions would be purely advisory as heretofore, and its services would be available to Cabinet or to any other department or committee calling on it for assistance with general economic problems." Its new terms of reference, contained in a letter from the Acting Treasurer, Mr Spender, to Giblin on 21st September inviting him to become chairman, besides setting down particular inquiries, said that the committee was "to maintain liaison with the various executive and advisory bodies concerned with economic and financial planning, and to coordinate as closely as possible the basic economic policies of such departments and advisory committees".

The committee showed elasticity and informality in enlarging its membership and interpreting its functions, aiming at understanding among its members rather than a quotable authority. At a later stage it described itself as studying any matter concerning general economic and financial policy referred to it by the Treasurer, or through the Treasurer by another Minister or the Commonwealth Bank; as looking ahead to try to see the implications of a constantly growing war effort and to suggest the kind of action which should be taken in advance to deal with them; and as harmonising the policies of different departments with one another and the long-range economic interests of the country. If necessary the head of a department or his representative was coopted for the discussion of a particular subject. "Results are obtained best by a round-table discussion without formal report," the committee said. It also referred to the value to members, who came from various departments with the gradual enlargement of the committee, of being able to discuss difficulties and check conclusions with fellow economists and the heads of the economic departments, whether permanently members on the committee or not.[6]

During the first three difficult years of the war the committee did a great deal in developing ideas within the administration and in harmonising differences of view but it lacked the authority and was not designed to serve as a coordinator of administrative action or a governor on the administrative machine. At a critical time it helped to ensure that problems were recognised more clearly and its prompting led to various administrative measures. That it was able to do so much, was due more to the quality of its members than to the conscious shaping of the committee as an instrument for inter-departmental coordination. The wisdom and experience of its chairman, Giblin, and his human qualities as well as his professional standing made the small room, at the sunny corner of the top floor of West Block, Canberra, where he crouched over his pipe among a litter of papers, not only a cell of economic thought but a place where many departmental and inter-departmental tangles were unwound by honest and straightforward commonsense.

Although the committee sowed the seed from which two of the new departments—Labour and National Service and War Organisation of Industry—grew, it was not in any sense an administrative planning body nor had it any opportunity to play a useful role in bringing moderation and order to the acquisition of new functions by the departments and settling the rival claims of departments to handle new activities. The proposals it had made before the war and after the war for the appointment of a minister of high status and exceptional capacity, with authority to distribute the work and coordinate the administration of it, unfortunately led to the appointment, in Fisk, of a man unsuited to that particular task.

During the first eighteen months of the war there were also some attempts at "economic planning" by other agencies, in particular use being

[6] Financial and Economic Committee paper 37b.

made of members of the Tariff Board to investigate various problems, but no marked effect of these essays is discernible, either on policy or on administrative machinery.

After the first arrangements for economic coordination had lapsed other proposals were prepared leading to the creation of Production Executive, with the Department of War Organisation of Industry as its secretariat. Before the new department entered on its administrative life, however, there had been built up two years of wartime practice and it is necessary to trace in some detail the arrangements made for production and supply during these two years in order to understand more clearly the "anatomy" of Australian wartime administration and the conditions that existed when Production Executive was created.

The difficulty of making adequate arrangements for coordination and planning on the economic side will be more readily understandable when the process by which the administrative machine was added to and adjusted piece by piece to meet the needs of war is studied. The history of that process begins in the pre-war arrangements for what were two of the first and most straightforward of wartime tasks—the making of munitions and the obtaining of defence supplies. In August 1921 the Munitions Supply Board was established and made responsible to the Minister for Defence for administration of government munitions factories, maintenance of research laboratories, inspection of stores and equipment for the Defence Department, and control of contracts, purchases and sales on behalf of the department. Subsequently a subsidiary body, the Contract Board, was created to invite public tenders or quotations or otherwise arrange for the performance of services or purchase of supplies for the Department of Defence. It could be set in motion by an "authorised demand" from one of the services accompanied by a certificate that funds were available. Its operations were aided by the creation of District Contract Boards in each State except Victoria, where the central board carried out district functions.

In March 1933 a Principal Supply Officers' Committee was created with the responsibility of keeping a watch on the national stocks of materials needed for defence purposes and, in general, planning for additional or alternative supplies in an emergency. It was also required to survey the national capacity for war production. It created a number of subsidiary Supply Committees (later more aptly called Resources Committees), each charged with responsibility in a special field of supply (for example, arms and ammunition; general and marine engineering; hardware, general stores and clothing; electrical equipment, scientific and optical instruments; aircraft, aero engines, motor transport; foodstuffs, medical, veterinary and dental stores; motor spirit, fuel oil and petroleum products). The chairman of each of these committees sat on the Australian Supply Board (designated the Defence Resources Board after 1st July 1936), which coordinated the committees' reports before presenting them to the Principal Supply Officers' Committee.

Under the trained and enthusiastic direction of Lieutenant-Colonel L. E. Beavis,[7] who returned from a period of duty in England to take up the permanent chairmanship of the board in April 1936, this board gave fair promise of becoming an efficient expert body for planning in regard to both stocks and production capacity. Its annual report, dated 28th February 1937, was one of the clearest and most realistic documents among the pre-war papers on this phase of preparedness and showed a rare grasp of those features of the problem which wartime experience proved were all-important. For example, it made proposals in respect of machine tools, the supply and control of raw materials and the examination of the manpower problem and for the expansion of its own work, which, if carried out in 1937, would undoubtedly have brought Australia into the war in a far better state. The report reinforced its proposals by drawing attention to the serious position of Australia in 1937 in respect to both stocks and production capacity.

Shortly afterwards, however, the Defence Resources Board and most of its resources committees were abolished and the Principal Supply Officers' Committee itself became directly responsible for carrying out the functions previously entrusted to the board. It would appear that this reorganisation of 1937 was not due to any decision on policy nor to have involved any expression of governmental opinion on the big question of defence preparedness. Rather, it appeared to have been due to petty considerations which crystallised into an opinion held by the Chairman of the Principal Supply Officers' Committee that the Defence Resources Board was tending to develop too much independence for smooth working.[8]

In the reorganisation of 1937, the terms of reference of the Principal Supply Officers' Committee were broadened so that it might conduct specific inquiries into the means of creating sources of supply and of the procurement of the articles required by the services and recommend to the Defence Committee an allocation of the resources between the services and the Munitions Supply Board. Henceforward it functioned through its own executive panel and its own standing sub-committees for foodstuffs and oil fuel. Advisory committees for various commodities were created as required. It enlarged the administrative and technical staff which had been taken over from the Defence Resources Board. Between 1937 and 1939 the committee, after breaking down the requirements of the various services into their components, investigated the capacity of Australian industry to supply them, a total of 257 firms in all States being investigated up to June 1939. During the same period a number

[7] Maj-Gen L. E. Beavis, CB, CBE, DSO. (1st AIF: Comd 53 Bty AFA 1917-18.) DOS AIF in ME 1940-42; MGO AMF 1942-46. High Commr for Aust in Pakistan 1952-54. Regular soldier; of Bathurst, NSW; b. Bathurst, 25 Jan 1895.

[8] Questions of pre-war preparation for the munitions side of the Australian war effort are dealt with in D. P. Mellor, *The Role of Science and Industry*, in this series. The present concern is with organisation and in this case organisation appears to have been imperfect very largely because of unwillingness on the part of the Controller-General of Munitions, Leighton, to accommodate himself to the ideas that government munitions works would not be able to do the whole job in wartime, and that expansion of production, including the training of men and management and the provision of machines and tools in private industry, had to start before war came.

of "educational orders" were placed by public tender. As the result of a recommendation by the committee, which felt the need for authoritative opinion and goodwill of industry and particularly of those sections on which the nation would have to rely in wartime, the Advisory Panel on Industrial Organisation was created in March 1938. One of the first matters which the committee placed before this panel was a proposal to establish armament annexes in private factories to supplement the production of the government munitions factories and prepare for new production. As the result of the cooperation of industry and of State railway workshops in Victoria and New South Wales contracts for twenty-three annexes had been signed before war broke out; buildings had been or were being provided, plant had been ordered both locally and from overseas and all but four of the annexes were due to be completed by the end of 1939. Inquiries on foodstuffs, fuel oil, general stores, clothing, footwear, chemicals and raw materials were also conducted. Investigations regarding medical, dental and veterinary stores, originally commenced by the Principal Supply Officers' Committee, were continued by a subcommittee of the Medical Coordination Committee which had been created separately within the Defence Department.

When the Department of Supply and Development was established in June 1939, it was given the following functions.

(a) the provision or supply of munitions;
(b) the manufacture or assembly of aircraft and aircraft parts by the Commonwealth or any authority of the Commonwealth;
(c) arrangements for the establishment or extension of industries for purposes of defence;
(d) the acquisition, maintenance and disposal of stocks of goods in connection with defence;
(e) arrangement for the coordination of—
    (i) surveys of Australian industrial capacity and the preparation of plans to ensure the effective operation of Australian industry in time of war, including plans for the decentralisation of the secondary industries and particularly those relating to defence; and
    (ii) the investigation and development of Australian sources of supply of goods which are necessary for the economic security of the Commonwealth in time of war and, in particular, the investigation and development of additional oil resources, the production of power alcohol from sugar or other vegetable crops and the production of oil from coal or shale;
(f) matters relating to the ascertaining of costs and the control and limitation of profits in relation to the production of munitions.

Into this charter might be read in wartime the functions of production, procurement, national planning, stock-piling, commodity control, rationalisation of industry, development of alternative local sources of supply, business administration and control of profits on munitions, and, as an accompaniment to all of these, a very considerable interest in all phases of economic policy.

The new department took over the Munitions Supply Board, the Contract Board and the Principal Supply Officers' Committee (renamed the

Defence Supply Planning Committee), and it established an Aircraft Construction Branch under a general manager. The work previously carried on in the Defence Department on petroleum supply and distribution was confided to a special section of the new department and a Commonwealth Oil Board was formed in August 1939. The place of the department in the general scheme of economic planning was indicated by the appointment of an economist, Brigden, first as Economic Adviser and later as Secretary of the Department. As Chairman of the Seaborne Trade Committee and a member of the Financial and Economic Advisory Committee, Brigden could directly and personally correlate the problems of production and procurement to broader economic planning.

This simple pre-war picture did not endure under the great urgency of war and the multiplicity of wartime activities. It is doubtful whether the Department of Supply and Development was soundly planned or adequately staffed in the first place. It is equally doubtful whether the adjustments made in this part of the administrative machine in wartime really dealt satisfactorily with the exceptional conditions which had made change necessary.

In the pre-war administration, the planning of production and supply had loomed larger than the executive problems of procurement, for defence orders were still light. For example the total value of purchases by the Contract Board in 1937-38 was only £1,400,000. Procurement was itself simple and uncomplicated either by urgency of demand or by insufficient capacity to produce, and the attendant problems of the control of materials and of the finished product did not arise. In wartime, planning was soon submerged in the scramble to obtain supplies, and controls tended to originate not so much in a far-sighted survey of resources as in quick response to shortages.

In peacetime, with the occasional exception of the work of the Defence Resources Board under Beavis, referred to above, the common tendency had been to see the supply problem as a statement by the services of their needs, the investigation of source of supply, the devising of machinery for establishing priorities and placing orders, and the arranging of production either in government factories or by private enterprise. In wartime, the size, scope and complexity of the problems of production and supply rapidly grew beyond recognition. Almost overnight the volume of business before the Central Contract Board increased tenfold. The urgency of the orders and the limitations of industry meant that negotiated contracts had to replace the normal method of procurement by open tender. The demand for munitions, both from inside Australia and from overseas, and the range and variety of equipment and supplies required were beyond expectation. Field wireless, spark plugs, steel helmets, drugs, leather, ground sheets, crockery, lighting plants, road-making machines, shovels, field and kitchen stoves were listed with ammunition and weapons and the hundreds of thousands of khaki uniforms and heavy boots for which the Australian services and Allied Governments were clamouring. The United Kingdom represented the urgent need for flax and the Depart-

ment of Supply and Development assumed responsibility for growing and processing it in Australia. Australian inquiries revealed the dire shortage of bags and sacking and jute goods and the same department undertook the responsibility of importing all Australia's requirements of jute. The importation of petrol and oils and the conservation of fuel stocks were vital to the war effort. So were scores of other subjects such as stocks of copper or cotton, the availability of machine tools, the productive capacity of Australian factories, the contents of Australian warehouses, the materials needed for building aircraft.

Simultaneously import and export controls, necessitated for financial, economic and strategic reasons, affected directly the tasks of production and supply, the planning of which touched at every point the broader economic planning of a nation at war. Similarly concern with transport by sea and by land, which originated from difficulties in the transport system of Australia, touched closely the concern over production and supply and led in time to projects for shipbuilding and for direction of all services. Later, the war at sea and the changing demands of war in widely-separated theatres, led to a most serious Allied shortage of shipping. The enormous expenditure of material—ships, aircraft, vehicles, weapons, ammunition, and military and civil stores of all kinds—set up world-wide shortages and thus supplies from overseas became subsidiary to overall Allied problems of transport and production.

The financing of purchases, the general problems of exchange and eventual introduction of the American Lend-Lease system of supply, followed by a system of reciprocal aid when the United States became a belligerent, called into existence further specialised administrative machinery so that procurement, production and internal control of commodities became interlocked with domestic and inter-governmental arrangements in respect of assignment of materials and munitions from the Allied stock, overseas shipping, exchange, Lend-Lease and reciprocal aid.

Behind all these was still the broad question of Australian economic policy in wartime, the formulation of the plans and the carrying out of the decisions to make the most effective use of Australian resources in constantly changing situations—the organisation of the whole internal economy and its relationships with the world outside.

It was no longer possible to see this side of defence in terms of a single organisation. It covered the whole of governmental activity. The wartime administrative problem was to divide the activities among various departments in such a way that the functions could be performed promptly and effectively, without duplication and with consistency; and so that administration sent upwards to the higher levels of government its steady contribution of expertness and experience in the task to be done and its understanding of the circumstances in which it had to be done, thus ensuring that higher policy was soundly based.

As already indicated, the original project for an Economic Cabinet and the discussions held in the first few months of the war on the economic

direction of the war effort showed such an appreciation of the need for considering broad questions of economic policy. What the Menzies Government did not perhaps appreciate as clearly as they might have done was that policy comes from below, out of the stress and strain of administration, as well as from above, and, in forming the Economic Cabinet to coordinate and direct this side of the war effort, they took insufficient care over the hidden parts of administration. Unless the roots are well spread the tree will not grow straight.

There were personal and political reasons, as well as other causes, why the logic of their planning did not prove itself. As will be indicated below there was also a weakness of administrative personnel, in regard to production and supply. At the outbreak of war it is doubtful whether there were available for the public service in Australia more than four or five men who had the capacity, the training and the opportunity to see the economic side of the war effort steadily and to see it whole. In the course of less than a year most of these men lost the opportunity, for their own talents drew them into major administrative posts whose exacting duties denied them leisure to think. In some cases the urgency of doing interposed above them other men who were distinguished only by their capacity for "getting things done".

Urgency and the increased volume and variety of the work to be done necessitated changes as soon as war broke out. The tendency was to create new bodies for each new task that appeared. The process can be illustrated first by what happened within the Department of Supply and Development itself. As the work of the Defence Supply Planning Committee proceeded in the early months of the war, inside the Department of Supply and Development separate sections of the department were established one by one to handle particular shortages which the committee had discovered. By a similar process the Oil Fuel Sub-Committee had become the Commonwealth Oil Board in August 1939. A Jute Advisory Committee and a Commonwealth Flax Production Committee were established early in 1940 and a Machine Tools Committee in May 1940. A residue of functions passed to a Civil Supply Division of the Department in December 1939. Under the stress of new conditions, in which the demands were increasingly stronger than the supplies, the Contract Board turned into what was virtually a series of procurement agencies. The heads of sections who had been negotiating contracts for the supply of different commodities became, early in 1940, Deputy Directors of Clothing, of Foodstuffs, and of General Stores and Heavy Equipment. The Contract Board also established during this period a number of advisory committees of businessmen from particular industries to facilitate its dealings with those industries and in many cases these committees were the forerunners of formal department control over the commodity. The process, which commenced almost as soon as the war began, became more clearly marked as the war effort grew and the local shortage of manpower and materials, the failure of many overseas sources of supply and the lack of shipping all helped to bring about rigid controls, both to limit civilian

consumption and to apply available supplies to essential purposes. During the course of the war all sorts of commodities from clothing and footwear to typewriters and adding machines, from kitchen utensils to kapok for mattresses were brought under control and the complete change in the procurement organisation within the Department of Supply and Development was eventually illustrated by the change of name, long overdue, from Contract Office to Directorate of Supply, which was made in July 1943.

The Principal Supply Officers' Committee under the name of the Defence Supply Planning Committee lasted until June 1940, when, under the urgency of speeding up munitions production, a separate Department of Munitions was formed. The functions of the new Department of Munitions at this period were set out as follows:

1. Manufacture, acquisition, provision and supply of munitions (including aircraft) and all matters incidental thereto, involving:
   (a) the operation and management of factories, workshops and undertakings, concerned in the production of munitions;
   (b) acquisition by the Commonwealth and the establishment of factories and workshops for the purpose of producing munitions;
   (c) securing of supplies of materials, plant, tools and equipment for that purpose.
2. Matters relating to arrangements for ascertaining costs and for the control and limitation of profits in relation to the production of munitions.

The Department of Supply and Development was left with the responsibility for "supply other than munitions, e.g. clothing and other personal equipment for the services, foodstuffs, stores of all kinds including export supply where goods are in short supply". It was also charged with making surveys of Australian industrial capacity and essential supplies; the control of the sale and use of liquid fuels and the promotion of the use of substitutes; the control, acquisition, maintenance and disposal of essential stocks; and the certification of goods controlled or in short supply for import from Britain or for import and export licences generally. The management of all Commonwealth factories was transferred to the Department of Munitions, except the clothing factory which remained under the Department of Supply and Development.

At first liaison between Munitions and Supply was secured by giving each of these departments the same minister and the same permanent head. The two departments continued to be related to the service departments through common membership of boards and committees and the fact that the Director-General of Munitions and the Secretary of the Department of Supply and Development might be asked to sit with the Chiefs of Staff on the Defence Committee when matters affecting munitions and supply were being discussed. The creation of the Department of Defence Coordination in November 1939 was also thought to have removed the need for the special form of liaison between requirement and supply and production which had been provided by the Principal Supply Officers' Committee. A statement issued by the Prime Minister dated 11th December 1939, describing the functions and machinery of the Department of Defence Coordination, referred to "higher coordination between

the Departments of the Navy, the Army, Air and Supply and Development in its relation to the requirements of the several services". But what the paper made clear practice showed to be imperfect.[9]

In July 1941, the Department of Munitions and the Department of Supply and Development were placed under separate ministers and separate permanent heads, largely because of the increased volume of work being undertaken in both. At the same time a separate Department of Aircraft Production was created in place of the Aircraft Production Commission which had been established in March 1940 in place of the Aircraft Construction Branch set up in the Department of Supply and Development in July 1939.

The functions of the new department and its reponsibilities were comparable with those of the Department of Munitions. Eventually, although the separation of the departments each with its own minister and its own secretary was maintained, coordination of operations was secured from January 1942 onwards, by making the Director-General of Munitions also Director-General of Aircraft Production.

Meanwhile, outside the Department of Supply and Development and independent of it, other departments and agencies were also engaging in various phases of production, procurement of supplies, national planning and development of resources, or creating their demands on manpower and materials, or shaping decisions which affected their use.

The Department of Supply and Development received some of the new functions. In August 1941, when the Commonwealth Coal Commission was constituted by National Security (Coal Control) Regulations[1] its administration was placed under the Minister for Supply and Development. Late in August a Tinplate Board was established by National Security (Tinplate Control) Regulations[2] and a Tinplate Section was set up in the department to administer the regulations. In the following month the Geological Branch of the Department of the Interior was transferred to the Department of Supply and Development and given a broader scope and the new name of Mineral Resources Survey. A consequential move followed in March 1942 with the appointment of a Controller of Minerals Production and the creation of a Minerals Production Directorate.[3]

On 1st December 1939, in order to apply the regulations gazetted immediately after the outbreak of war, an Import Licensing Branch was set up in the Department of Trade and Customs. Its function was to issue licences for imports and also, behind that purpose, to examine imports of all commodities with a view to ascertaining whether imports could be reduced either by doing without the commodity, restricting its use, or finding a substitute locally or from the sterling area. The original

[9] The difficulties of coordination were not confined to the Departments of Defence Coordination and Supply and Development, although rarely was the idea of coordination scoffed at so openly as in a letter from the Secretary of Supply and Development to the Secretary of Defence Coordination, dated 6th Janury 1940.

[1] Statutory Rules 1941, No 189.

[2] Statutory Rules 1941, No 210.

[3] Statutory Rules 1942, No 109.

reason for its activities was to conserve non-sterling currency but an additional reason was found in the necessity to conserve shipping space. Later, when the full production of British factories was needed for British use, the restriction of imports was extended to goods from the sterling area. In September 1941 the Import Licensing Branch merged into the newly-created Division of Import Procurement which, although officially a section of the Department of Trade and Customs, virtually operated as a separate department, with Mr A. C. Moore[4] as Director. The course of the war brought about a situation in which a large proportion of Australia's requirements from overseas were obtained from North America and were obtained under mutual aid agreements with the United States and Canada. A War Supplies Procurement organisation with offices in Washington, New York, San Francisco, Los Angeles, Ottawa and Vancouver was brought into existence in December 1941. The Division of Import Procurement, besides its tasks in the procurement of supplies, was responsible for the central control of import licensing and also administered the rationing schemes applied to the distribution of tobacco and newsprint (both of which were obtained almost wholly from overseas). It also issued permits to manufacture and in some cases to sell certain goods the production of which was controlled under National Security Regulations.

The control of exports from Australia was also imposed shortly after the outbreak of war, being effected both by commodity control and monetary control.[5] The commodity controls were administered by the Department of Trade and Customs, which was responsible for the issue of export licences and ensuring that goods exported from Australia were covered by the necessary licences and that the export transactions were in accordance with the terms and conditions of the relevant licences. The monetary controls were administered by the Department of the Treasury chiefly to ensure that the overseas funds accruing from exports were made available to the Australian banking system for national purposes through the Commonwealth Bank of Australia.

Behind the control of exports, there developed under the exigencies of war an extensive control of export production, mainly centred in the Department of Commerce (established as the Department of Markets and Migration in 1925 and renamed Department of Commerce in 1932) which had the pre-war responsibilities, *inter alia,* of promotion of overseas trade, the administration of the export aspects of trade agreements and the inspection of exports to ensure quality, and which had also been charged with the administration of a steadily-increasing body of legislation relating to the marketing of primary products. The control machinery which had been created in the interests of the respective branches of primary industry, because of the difficulties of finding a market

[4] A. C. Moore, CBE. (1st AIF: 7 ALH.) Asst Compt-Gen Customs 1935. B. 1 Mar 1898.

[5] See Customs (Overseas Exchange) Regulations of 22 Sep 1939 and National Security (Exchange Control) Regulations of 11 Dec 1940, Statutory Rules 1940, No 282, replacing National Security (Monetary Control) Regulations Statutory Rules 1939, No 91 and National Security (Securities) Regulations, Statutory Rules 1939, No 113.

and a payable price for primary products, eventually came to be used in wartime as part of the machinery to control production in the interest of the overall national war effort. Wartime legislation brought other primary products under control and the list of commodities eventually covered dried fruits, dairy produce, canned fruits, wine, meat, wool, apples and pears, barley, hides and leather, rabbit skins, wheat, eggs tobacco, flour, meat, canned meat, potatoes, seeds, and field peas, each of which had a board or committee (and, in the case of some, several boards or committees) devoted to the affairs of its producers. In addition, the activities of the Department of Commerce were extended to cover aids to production, such as fertilisers and agricultural machinery, which were in short supply.

The Department of Commerce was also, for a large part of the war, a purchasing and supply agent and, arising out of these activities, became an organiser of production on a broad scale as well as a controller of the production of particular primary products. Because Australia's export trade had consisted largely of foodstuffs it was thought logical that the department dealing with exports should be closely associated with measures to promote the production of food supplies when an emergency and increased Allied demands made that necessary. At the beginning of the war foodstuffs were placed under control either because of shortage of shipping space for exports or because of the need to obtain maximum supplies to fill bulk contracts to the United Kingdom and supply the fighting services at home and abroad. Later, when invasion of Australia seemed possible, an Emergency Supplies Division was formed in the Department of Commerce to establish and supervise Commonwealth stocks of civilian foodstuffs—a measure that had been envisaged in pre-war planning—and this new division was also charged with the control of cold storage facilities. At a later stage of the war, in 1943, it will be seen that food control, which was originally placed under the Supply Department, was transferred to the Commerce Department with very wide authority over the production and allocation of all Australian food supplies.

The genesis of the purchasing activities of the Department of Commerce was its pre-war activity in purchasing foodstuffs on behalf of the British War Office. That was considered part of its function of marketing Australian produce and, because of the nature of the demand, the activity was limited to foodstuffs. After 1939 the demand extended to manufactured goods so that in the early part of the war, until the Eastern Group Supply Council was established at New Delhi, the Department of Commerce purchased and shipped to the Middle East "non-warlike" stores valued at about £10,000,000. When the Eastern Group Supply Council was established and the Supply Department became charged with the administration of the Australian share of its work, these functions were transferred from Commerce to Supply.

Behind exports and behind production, however, were such closely related questions as transport services, particularly shipping, and manpower.

In pre-war planning some attention had been given to the question of transport. Land transport had been thought of principally as a problem of the railways. Sea transport had been considered because of the probable effect of hostilities on both overseas shipping and coastwise traffic. A War Railway Council and a Sea Transport Committee had discussed both fields and the relationship between them and, following a resolution at a meeting of Commonwealth and State ministers in Adelaide in August 1936, proposals had been made to appoint an expert committee or to call a conference of the States to examine the standardisation of railway gauges.

In pre-war planning and the early months of the war, however, little need was visible for the control of inland transport, except of the movement of troops and equipment by rail, nor was the whole transport system seen as an adjunct to national economic organisation. Rather, the line of thinking was that, if such and such an emergency occurred, such and such action might have to be taken to maintain essential transport and that certain other action would have to be taken to repair the economic effects of a loss of transport facilities. Any emergency was thought likely to affect shipping, and particularly overseas shipping, more severely than any other form of transport. One further element in the situation was that the railway systems were owned and operated by the States, except for the transcontinental line between Port Augusta and Kalgoorlie, which was owned and operated by the Commonwealth. The States, too, were responsible for the normal control of privately-owned road transport services. Furthermore, in Australia, land transport at that time was local transport. Under normal conditions from 80 to 90 per cent of Australian interstate trade was carried by sea.[6]

By July 1939, although the need had been recognised for "an expert body to study the interrelation and coordination of all forms of transport in an emergency", scant progress had been made and the Defence Department proceeded to work on its own comprehensive plans for the appointment of a committee for transport in an emergency, including the establishment of a small semi-permanent secretariat that could, if necessary, form the nucleus for any organisation, such as a Ministry of Transport.

These plans had not come to anything when war broke out but on 18th December 1939 the proposals were approved by the Defence Committee. Six months later consultation was still taking place between ministers, between departments and with the States. The announcement of the fall of France gave a new urgency to the question of maintaining stocks of essential foodstuffs, raw materials and other goods and hence to transport, and eventually invitations to the States to join in a transport committee were sent out and accepted, the replies of the States revealing that several of them had already been engaged on some measure of planning on their own.

The Organisation of Transport for an Emergency which was then formed consisted of a Principal Transport Committee, which had the function

[6] *Commonwealth Year Book*, No 36, p. 124.

of reporting to the Commonwealth and State Governments "on the degree of necessity for the coordination in war of all available transport resources of all nature" and, in particular, to report on "the most effective and practicable method of meeting war requirements of internal transportation (including coastwise shipping), the effect on Australian transport capacity consequent on the possible deflection of Australian shipping to other waters during the course of the war, and the best methods of organisation to meet this eventuality", and a User's Sub-Committee, which was to advise the Principal Committee on "the nature and scale of the prospective demands for transportation in war". These bodies were representative of the three services, and the various forms of transportation, including private road transport firms, and those whom the transport served. Its membership was so contrived that the New South Wales and Victorian Governments were represented indirectly by the nomination of their servants to sit for railways and road transport. The Department of Defence Coordination provided the secretariat.

The first meeting of the Principal Committee was held on 22nd July 1940 when it was agreed that, in addition to the Principal Committee, the Government of each State should appoint a State Sub-Committee representing railway, road transport, road construction and shipping interests in order to prepare a plan for each State to carry essential goods by existing agencies if seaborne traffic was suspended and to make proposals for liaison with adjoining States.

The Financial and Economic Advisory Committee complained that the "economic aspects" had been overlooked. It would appear, however, that in the planning of this organisation some sort of distinction had been made between the capacity of the transport services and the use to which their capacity was to be put. It was not part of the business of the Organisation of Transport for an Emergency to determine how the transport services would be used but only what services would be available and how more could be obtained. Nor did it have any function in regard to the control of transport services.

Meanwhile separate and more far-reaching measures had been taken in regard to shipping alone. In this case the Seaborne Trade Committee had applied itself to the "economic aspects" and had not only been charged with informing itself on the availability of overseas shipping, the requirements of the defence services and the civil population, and the prospects of substituting local products for imports, but had made recommendations regarding acquisition of stocks of certain commodities, import licensing and exchange, and in doing so, had taken into its purview employment policy, price control, the control of investment, regulation of exports and financial policy generally. It was thus, not a transport authority narrowly so defined, but a body concerned with economic policy giving advice on the priorities to be established for imports in a time of limited shipping. The transport authority was the Shipping Control Board, with which it was directed to cooperate in plans for the effective use of Australian transport generally.

By Part IV of the National Security (General) Regulations of 13th September 1939[7] the Minister for the Navy and the Minister for Commerce were given general power to regulate the movements of shipping and to make orders regarding what should be carried in ships and where they should go. In the same month plans were announced for a Shipping Control Board to ensure that ships on the Australian register were used to the best advantage. Its membership was to include the Minister for Commerce, a newly-appointed Controller of Shipping as deputy chairman, and representatives of overseas shipping interests and interstate shipping interests and the navy.[8] It held an inaugural meeting on 5th September but otherwise did not function, and was never formally constituted.

The course of events produced no need for these plans, and interest centred on overseas shipping. This was, of course, beyond the control of Australia and, except for what it could do by the chartering of ships, the Government depended on decisions made elsewhere.

In the first two years of the war the major tonnage resources of the Allies were allocated by the British Ministry of Shipping, and its successor the Ministry of War Transport, and the obtaining of the tonnage needed for trade to Australia and the allotment and use of freight space were the subject of negotiation between the Australian representatives and the British ministry. In later stages of the war this comparatively simple picture became greatly complicated by the more serious losses of shipping, the increased Allied movements by sea, as Russia and the United States entered the war and hostilities spread to the Pacific, and by such attendant Australian problems as labour difficulties, shortage of wharf and storage space, and handling difficulties.

In January 1940 an Overseas Shipping Committee was established[9] composed of Sir Thomas Gordon[1] (representing the British Ministry of Shipping) and representatives of the Commonwealth Government and of overseas shipping interests, to advise the Government on problems and questions associated with overseas shipping and to deal with matters arising out of the regulation of overseas shipping in Australian waters. In practice this committee and its chairman necessarily became not simply an advisory body but an effective part of the administrative machinery for handling shipping questions.

By November 1940 problems of local shipping had grown to the point where administrative action was imperative. Plans for a Shipping Control Board which had laid dormant since September 1939 were brought up for consideration but they were discarded in favour ot others which were incorporated in the National Security (Shipping Control) Regulations

[7] Statutory Rules 1939, No 87, amended by Statutory Rules No 120 and 1941, No 9.

[8] *Commonwealth Debates*, Vol 161, pp. 678-680, 19 Sep 1939.

[9] Its chairman was G. R. Rickards.

[1] Hon Sir Thomas Gordon. Chairman and Managing Dir of Birt and Co Pty Ltd. MLC NSW 1932-33; Rep in Aust of Brit Min of War Transport 1939-46; Dir of Shipping in Aust 1942-45. Of Sydney; b. Ardrossan, SA, 26 Apr 1882. Died 5 Jul 1949.

of 1941.[2] By these all ships registered in Australia and, subject to certain limitations, all ships on the Australian run or under charter to Australians were made subject to direction, requisition and governmental control. A new Shipping Control Board of three members was established to administer the regulations. The needs served by the orders it made might arise in the armed services or any one of three or four departments. The chairman was a Justice of the High Court, and its other members were the Secretary of the Department of Commerce and a shipping representative.

Later in 1941 a Commonwealth Government Ships Chartering Committee was established to control the activities which had been commenced by the Department of Commerce and the Australian Wheat Board to carry Australian wheat and flour overseas and which were growing into a considerable business for the carriage of both exports and imports. At a later stage of the war these measures were extended from overseas trade to interstate trade and eventually the committee controlled nearly forty vessels, including twenty-six under charter, one captured vessel, one requisitioned vessel and the merchant tonnage built in wartime by the Commonwealth Government.

All these bodies were associated administratively with the Department of Commerce. This department had a certain pre-war interest in this field inasmuch as it had a Marine Branch charged with a general responsibility for navigation and shipping, although the chief activities had been in the maintenance of navigation aids in Australian waters. The work of the branch was specialised and in a large part technical under a Director of Navigation who was a professional officer and enjoyed considerable autonomy in the professional matters under his care. The initial bias of the new wartime bodies towards the shipment of Australian produce overseas was shown by the fact that they were linked, not with the Marine Branch, but with the Marketing Division of the department. Necessarily, when the whole shipping question became more complicated and beset with difficulties that had little to do with the Department of Commerce, the administration of shipping was transferred early in 1942 to the Department of Supply, which had recently parted with other functions and became henceforward the Department of Supply and Shipping.

An extensive organisation was created about the same time in the Maritime Industry Commission, to ensure the adequate and efficient manning of Australian merchant ships, the Stevedoring Industry Commission to supervise waterside labour, the Central Cargo Control Committee to provide for the orderly and expeditious disposal of goods to be loaded or unloaded on the wharves. The Allied Supply Council and Lend-Lease organisation were also interested in shipping.

These moves were part of the administrative arrangements consequent on the extension of the war to the Pacific. The new administrative arrangements reflected the same logic as the arrangements which had been scrapped. When shipping was primarily a matter of marketing it was

[2] Statutory Rules No 20, 30 Jan 1941. These replaced Statutory Rules No 275 of 5 Dec 1940 which had vested power in the Minister for Commerce without making provision for any board.

controlled by Commerce; when it was primarily a matter of the movement of supplies it was controlled by Supply.

The arrangements were not, however, the outcome solely of analysis of the need but were also shaped by circumstance. The very substantial arguments that existed for the creation of a Department of War Transport, which would see all shipping and all forms of transport as part of the total economic organisation of the nation appear only in the background and were never closely examined.[3]

The transfer of shipping to the Department of Supply also severed a tentative link which had been formed between transport by sea and by land. In June 1941 a Minister for Transport had been appointed to control and coordinate, for war purposes, road and rail transport and in the following month the Secretary of the Department of Commerce, who was then permanent head of the shipping administration, had been also designated Secretary to the Department of Transport—an arrangement which lasted until November 1943. The arrangement was a foolish one insofar as it loaded an overburdened official with another set of duties. It had its only merit in the fact that it made a rough linking of inland and sea transport and this link was broken when shipping was transferred to Supply.

The new Department of Transport was concerned only with road and rail transport. It took over the Organisation for Transport which had grown up as part of the defence machinery and the Director of Railway Transportation in the Department of the Army was appointed Director of Land Transport in July 1941. At the end of the year, as part of the emergency measures taken when Japan entered the war, all Australian road and rail transport were brought under Commonwealth control, the Minister for Transport being vested with powers of "direction, requisition and control" in the interest of public security and the prosecution of the war.[4] In March 1942 new regulations covering all land transport[5] established the post of Director-General of Land Transport and a Land Transport Board charged with the "control, regulation and direction of all land transport services for the carriage of goods and passengers whether by rail or road within the Commonwealth", and some measure of responsibility for trying to improve them. The board, in effect, brought together the various bits and pieces of the administrative machine which were concerned with land transport. It was composed of four officers from the Department of

[3] In November 1938 the suggestion had been made to Lyons by the newly-appointed Secretary to the Defence Department, Shedden, that a Department of Transport should be created comprising the Civil Aviation Branch of Defence; the Commonwealth Railways and the Marine Branch of the Department of Commerce and a Director-General of Transport appointed as its permanent head. Factors militating against acceptance appear to have been largely concerned with allocation of Cabinet duties. When the Department of Civil Aviation was created as a separate department the change was opposed by defence advisers who again urged the case for a Department of Transport but reasons related to the comfort of the Cabinet rather than the needs of administration prevailed. Later the matter was brought to the notice of Menzies but he was reluctant to detach any functions from the Department of Commerce, of which Page was Minister, and accepted the argument that there was a close relation between the work of shipping control and the shipping of primary products. Later, when Curtin transferred shipping control to the Department of Supply, one of the factors he had to consider was that his Minister for Supply, Beasley, who was a hard worker and acquisitive of power, wanted to extend his activities.

[4] National Security (Road Transport) Regulations, Statutory Rules 1941, No 278; National Security (Rail Transport) Regulations, Statutory Rules 1941, No 279.

[5] National Security (Land Transport) Regulations, Statutory Rules 1942, No 149.

Transport (the Director-General, the Secretary of the Department, the Director of Rail Transport, and the Director of Road Transport); a Director of Locomotive and Rolling Stock Construction from the Ministry of Munitions; a representative of the War Railway Committee (which was composed of the Commissioners of Railways from the seven systems plus the Director of Rail Transport and two trade union representatives); a representative of the War Road Transport Committee which was composed of three officers of the Department of Transport, the Controller of Liquid Fuel from the Department of Supply, the Controller of Emergency Supplies from the Department of Commerce, representatives of the Department of the Interior and the Department of Home Security; three private citizens (including two officials of the Transport Workers' Union) to represent "roads" and three others to represent "supply"; and five State representatives drawn from various State transport instrumentalities not represented elsewhere on the committee; a representative of the Department of Army; a representative of the Commonwealth Liquid Fuel Control Board; and a representative of trade unions. The board was assisted by a War Road Transport Committee and a War Railway Committee the function of each being to "control and coordinate" the form of transport under their charge. The whole organisation was an ingenious and good-natured contraption for bringing together most of the people interested in the subject. To carry out the board's policy Directors of Emergency Road Transport were appointed in each State and the State Railway Departments were also available. The Department of Transport was always a small department, its maximum staff in all categories being seventy-seven (June 1944) and it was a secretarial and coordinating department rather than one with any significant executive role.

Some account has already been given in Chapters 3 and 10 above of the genesis of the manpower organisation. In that account reference was made to the Services Manpower Committee established in the Department of Defence to administer the list of reserved occupations; the early recruitment of labour by each production department for itself; the establishment of the Department of Labour and National Service in October 1940, followed in 1941 by the creation of National Employment Offices to aid in recruiting labour for the munitions establishments; and the appointment of a Director of Manpower Priorities, who later became Director-General of Manpower. With the establishment of the Manpower Directorate, manpower administration passed early in 1942 from the stage of conserving manpower to the task of mobilising the labour resources of the nation for a total war effort. Some of the later developments in the manpower organisation can be looked at more appropriately when the administrative effects of the Pacific War and the coming of the United States troops to Australia are being considered. In the early stages of the war, when, as already indicated, there was still unemployment, the importance of manpower as a factor in production and supply was not always clearly seen and part of the administrative problem facing the Manpower Directorate had been created when the agencies for production and supply had made

decisions to produce, or to procure or to use materials of war without taking into account the effect of their decisions on manpower.

The above rapid survey of some of the developments in the Departments of Supply and Development, Munitions, Trade and Customs, Commerce and in regard to transport and manpower illustrates the way in which the multiplication of wartime tasks and the eager and sometimes competitive expansion of departments had obscured the early attempts to see the economic side of wartime organisation as a whole. In due course the signs of confusion reawakened ideas of a central and coordinating department which could see the war effort more comprehensively than say the Department of Supply or the Department of Munitions, each engaged on their specialised task. The expansion of the war effort also brought a renewed realisation of the need for the reorganisation of the whole economic life of the nation. Both ideas were present in the creation of the Department of War Organisation of Industry in the middle of 1941, coinciding with the revival of the plans for something in the nature of an Economic Cabinet.

Although the Menzies Government gave the Department of War Organisation of Industry the functions of "planning and coordinating measures for organising the industrial resources of the nation to achieve maximum production for essential needs" and "the coordination of efforts of various Commonwealth departments, other than the Departments of Defence, Army, Navy, and Air to ensure that the maximum energies are being devoted to the production of war needs and essential civil requirements, and that there is an appropriate distribution of functions relating to those activities", in practice the department did not develop as planned. As secretariat to Production Executive it could do a certain amount to correlate diffuse activities and could make an attempt to see the whole picture, but other departments would not admit any variation of the administrative pattern of parallel and perpendicular lines or submit to being "coordinated". The department's main development was in the direction of becoming yet another authority exercising an increasingly wider set of controls over many branches of industry in order to serve a process of "rationalisation" which diverted labour, plant and material resources from non-essential to essential production. It became the general factotum of the production and supply organisation rather than the general manager or even the "brains trust". This is not to say that the department was a failure but means rather that the ideas of "coordination" which were written into its charter were too rigid. In practice the department did assist other departments to discharge the functions allotted to them and to associate them one with another in a common effort, but it did so by consultation and discussion as an equal among equals.

Finally the economic side of the war effort began to interlock with administrative arrangements for post-war reconstruction and here a further cohesive element was found. The genesis of post-war reconstruction can be found in the early months of the war in discussions on wartime economic planning. For example, a paper prepared for Economic

Cabinet in February 1940[6] discussed planning for post-war water conservation, electricity development, afforestation and the improvement of the "beauty and amenities" of country towns. Contributions presented by various ministers to Economic Cabinet's discussion of wartime financial and economic policy, including the Prime Minister, Menzies, contain many references to the importance of planning for post-war reconstruction at the same time as planning wartime development of industry and diversion of commerce and, when referring to the need for technical training for war industry, linked it with the problem of technical training in the post-war period, of repatriation of men.[7] The Minister for Social Services promulgated ideas regarding housing, training and placement of youth, unemployment insurance, and a survey of public works proposals to aid the "orderly absorption of workers when demobilisation and suspension of wartime factory activity takes place".[8]

In the early period, "war aims" were very much in the public mind, and indeed in some quarters both in Australia and abroad much more was being said about the sort of peace that was desirable than was being done about winning the war.

When the Department of Labour and National Service was created in October 1940, one of the functions given to it was "post-war rehabilitation and reconstruction", and in February 1941 the Government set up an Advisory Committee on Reconstruction, with the Reconstruction Division of the new department as its secretariat. A rather ambitious series of inter-departmental committees to work on various stages of reconstruction was also created. At the same time the Department of External Affairs created a small post-war section to work on the international aspects of post-war planning; and in Treasury, Commerce and Trade and Customs existing sections engaged on research and policy began to give increased attention to this field. The Reconstruction Division of the Department of Labour and National Service also created some links with the State Governments and had made progress with plans for vocational training for repatriated men. Eventually, in December 1942, the functions and staff of the Reconstruction Division passed to a newly-created Department of Post-War Reconstruction, which during 1943 took an increasingly active part in the attempts to stimulate and give direction to economic planning.

There remains the Treasury. Initially the Department of the Treasury was content with the two main functions of watching expenditure in the light of the approved Budget and of administering certain financial controls and other routine duties that had been committed to it such as the custody of enemy property. In the first year of the war its attitude was unimaginative and conservative and there are many stories to be heard from wartime administrators of senior Treasury officials who were still boggling at every thousand pounds of additional expenditure when war departments were talking in millions. The Treasury appointed liaison officers to keep

[6] Agenda 6/40, 13 Feb 1940.

[7] Agenda 16/40, undated (Feb 1940).

[8] Agenda 41/40, 12 Mar 1940.

in touch with the services and the production and supply departments, which were located in Melbourne while the Treasury itself was in Canberra. As the liaison officers gained in experience, however, they became not a restraint on prompt action but rather facilitated it, and after the first twelve months or so of the war, few complaints were encountered that the "stickiness" of the Treasury impeded action. The adaptability of the Australian public servant is shown in few more striking examples than in the way the officers who had hesitated over the thousands were soon expediting the approval of millions. As already related, the Board of Business Administration and the whole of the responsibilities of the Department of Defence Coordination in respect of financial coordination were transferred, after the entry of Japan into the war, to a Defence Division of Treasury.

In order to obviate delays in vital matters when the Director-General of Munitions was appointed in June 1940 he was given authority to spend up to £500,000 without approval, and this precedent was followed later in a limited number of other appointments. In practice they seldom had to use their power.

Besides accommodating itself to the unorthodox budgetary practices of a nation at war, the Department of the Treasury also developed rapidly and naturally a lively interest in higher policy and the organisation of the war effort. In time its officers were ready to challenge the army over whether or not such and such a weapon were really necessary and to take on themselves the pretensions of experts in many fields other than bookkeeping. On such a question as the production of tanks in Australia Treasury men argued grand strategy and modern factory practice with the greatest assurance. More usefully, the department also gave increasing attention to those broader questions of the organisation of the country's economic resources which were fundamental to the determination of policy. There were several reasons why this department eventually reached a state of pre-eminent influence in this sphere. An obvious one was its measure of control over expenditure (a control which it jealously preserved even though it learnt not to be restrictive in its exercise), and, equally important, the opportunity it thereby enjoyed for knowing about most projects and of always being "in the swim". Another reason was the fact that, during the first half of the war, it had centred in itself, by reason of its relations with the Commonwealth Bank and the Financial and Economic Advisory Committee, the best body of expert economic opinion in the Commonwealth service. Further, besides the quality of its own senior officers, and particularly its Secretary, Mr S. G. McFarlane,[9] its strength lay, perhaps more than in any other single factor, in the quality of its ministers. Mr Spender was energetic; Mr Fadden was tractable; but the tower of strength was eventually found in Mr Chifley, receptive to his department, strong in the Cabinet, shrewdly practical and quiet moving.

[9] S. G. McFarlane, CMG, MBE. Sec to Treasury 1938-48; Exec Dir Internatl Monetary Fund and Bank for Reconstruction 1948-50. B. 4 May 1885.

Some harsh things are heard about the Treasury in neighbouring departments when wartime administration is discussed. It is said that it was acquisitive and interfering and even circuitous to the point of slyness in the way it went about getting its own ends, but, whatever may be the truth of these opinions, there is little doubt that during the middle and later parts of the war, when administrative complexity might have ended in administrative confusion, the Treasury was a useful force in bringing about some steadiness and balance and some appreciation of the central purpose in the national organisation of production and supply.

The wartime administrative problem in the fields under review was created by the vast increase in the quantity and variety of the articles to be produced and supplied for public use in Australia, and the accompanying necessity for the state to organise many of the activities of the community, and the diversion of resources in materials and manpower so that the purposes of production and supply could be served. Planning, control, direction and state management of enterprises were carried far beyond all previous experience.

As related above, a pre-war arrangement which concentrated most of the functions in regard to production and supply for defence purposes in the single department, Supply and Development, had given place to a complex of departments, branches, divisions, agencies and committees. In that scattering of activity it is doubtful whether strict enough definition was given to the functions to be performed. A closer analysis might have led to the identification of such processes as the raising of primary products and raw materials, manufacture, the procurement of supplies, the handling and delivery of supplies and products, the planning of the diversion of the total resources of the nation, the administration of a wide variety of controls by which that diversion was effected.

In practice, Australian administrative arrangements tended to show less regard for the function being performed than to the substance being handled. The narrowly-defined function of procurement was performed in several departments—by the Department of Munitions in regard to the principal materials it used; by the Department of Trade and Customs in regard to the large bulk of overseas supplies; by the Department of Supply in regard to various other supplies, both local and imported; by the Department of Commerce in regard to foodstuffs. The narrowly-defined function of production was performed in the Department of Supply (which, for example, managed the government clothing factory and promoted flax production and the winning of certain minerals), the Department of Munitions (which made munitions and controlled the production of other metals), the Department of Aircraft Production, and the Department of Commerce (which controlled or promoted the production of a wide range of primary products). Each, as an organiser or manager of production was a claimant on men, materials, power and services; each was a planner and shaper of policy. The administration of controls often mixed up both the function and the substance. The Rationing Commission administered the rationing of clothing (the production of which was

administered by the Department of Supply) and foodstuffs (the production and allocation of which were administered largely by Commerce), but not the rationing of petrol (the procurement of which was administered by Supply) nor tobacco and newsprint (the procurement and allocation of which were administered by Trade and Customs). All these arrangements are understandable as the result of the way in which they grew up and of technical specialisation. A multiplicity of other controls over production, supply and consumption were administered by the Department of War Organisation of Industry. The function of handling and delivery of products and supplies was seen at first as being largely a question of shipping, and shipping control developed roots which spread out through the Stevedoring Industry Commission and the Maritime Industry Commission into the troubled field of industrial relations but did not grow into a fully coordinated system for the control of transport. Prices control became a vast machine which could carry out the routine administration of control orders, engage in the higher flights of economic planning and intermesh with numerous other intricate controls.

These are illustrations of complexity. Behind the complexity lies the question whether, in wartime administration, the condition could have been improved. It is easy to see some of the causes that aggravated it. First there was often a lack of clarity in defining the field of activity of departments and a lack of care in deciding exactly what new authorities were to do and their relationship to existing authorities. There was duplication and rivalry. Second there was a lack of consistent and clearly understood arrangements for interdepartmental consultation, and for the harmonising both of departmental views and of departmental adminstrative activity. The lack of such arrangements was aggravated by the absence of any strong convention of proper conduct or uniform procedures to govern the duty and respect owed by one public servant or one branch of the public service to another and by the presence of the usual personal ambitions and unusually strong interdepartmental rivalries. Third, the wartime public service, for reasons to be explained below, was a service deficient in experience of working together. Fourth, the volume and urgency of wartime business meant that whereas, in the early days of the war, planning had preceded commitments or controls the later experience, particularly after war extended to the Pacific, was that controls were devised and applied and commitments were accepted, separately, at the initiative of departments, in advance of planning. The overall direction and coordination of policy tended to come after action had been taken. For example in 1942 and 1943 a large number of the decisions in regard to manpower were not the result of forward planning but the result of an investigation into the effects of commitments already made in isolation from one another. Fifth, there were wholly personal factors ranging from the ambitions of ministers to the envy or self-importance of persons charged with lesser authority. The relative strength and interplay of Cabinet personalities, in particular, was always likely to impair any nice calculation of functional relationships. The fourth and fifth conditions, in particular, would

also have militated against any proposals for the replanning of the administrative machine or for the application of any new theories of the art of public administration.

In these circumstances, a great deal of the liaison between departments, the coordination of activities, the removal of duplication and the determination of responsibility were effected by consultation, by the calling of meetings as required or by the appointment of committees *ad hoc*. Sometimes such conferences or committees worked smoothly; sometimes they produced a depth and deviousness in negotiation that could scarcely be matched in Nazi diplomacy. They all consumed much time.

Alternative methods were telephone calls or a conversation in the corridor of a train travelling to or from Sydney, Canberra or Melbourne. This type of coordination sometimes meant that action was prompter, but was often open to the criticisms that some third department had been left uncoordinated, or the man who already knew the answer had not been consulted, or that unrecorded arrangements made in a corner led to further confusion in public.

In the first half of the war the problem of coordination was accentuated by the eagerness of most departments to be "in the war". All were avid for wartime responsibility, new functions and new titles and often grabbed jobs from under each other's noses. In the second half of the war, with increasing burdens, the problem was accentuated by an opposite disposition on the part of some departments and persons to prove that a new responsibility did not belong to them or to try to pass the unwanted and burdensome task to someone else. Australian departments never took kindly to the idea of coordination of their activities by a specially-designated coordinating authority. The imperfection was perhaps not singular to Australia. Coordination remains one of the major difficulties in all administration and the fine shades between coordination and control one of the most difficult lessons to be appreciated by all administrators. In Australia the difficulty was perhaps aggravated—as were other aspects of wartime administration—by such Australian characteristics as the unwillingness to recognise superiors or to respect equals and the tendency to believe that independence can only be demonstrated by hostility—characteristics which are often unrelieved by the strong administrative tradition and binding administrative conventions which can help even the prickliest of men to work together. Perfect coordination calls not only for routine procedures and flawless coordination at the lower level but for conscious and constant attempts to obtain it on the part of ministers and, with outstanding exceptions, Australian ministers contributed less than they might have done, not only to the extent they shared national characteristics or human ambitions, but also because in many cases they were unfamiliar with the business of administration outside Cabinet or their own offices.

Yet the marvel remains that this strange machine moved. Looked at after the event and with a memory of how it functioned at the time, the admiration of the beholder grows for the industry, patience, adaptability and devotion of those who made the system work. This traditional system

of administration throws the emphasis on the good sense, discretion and administrative skill of the official rather than attempting to create so tight and logical an administrative machine that it will function with mechanical precision. Its faults develop mostly from human faults and are only overcome by human merit. Almost unbelievable stories of human pettiness among officials are found alongside a record of great administrative achievement.

C.—Three National Capitals.—The problems of wartime administration were considerably complicated by the fact that they were handled from three national capitals. The transfer of Parliament and of departments to Canberra was begun in 1927 and continued intermittently until the outbreak of war, but in 1939 it was still incomplete; the whole of the defence organisation, the newly-created Departments of Civil Aviation and Supply and Development, the Postmaster-General's Department and the Repatriation Commission were still centred in Melbourne, while necessarily, on account of the nature of its work, the Department of Trade and Customs, though having its central office in Canberra, maintained larger staffs in other cities.

Canberra itself was too small and in too early a stage of development to allow rapid wartime expansion. Already its limited office space was crowded. The Chief Property Officer reported in August 1939 an immediate need for 13,000 square feet of extra space. Already the Government was renting 30,000 feet of space in private buildings. Within six months of the outbreak of war additional demands were being made by existing departments at Canberra for another 15,850 feet of space. The Department of the Interior, which administered the affairs of the capital, said that it had no immediate means of meeting even those modest demands.[1] When a small and worried Canberra became so concerned about finding another 30,000 feet of space how could it cope with a demand which, within three months of the outbreak of war, was mounting in hundreds of thousands of feet?

The limitations on housing were even narrower. In December 1939 there were in Canberra only 1,662 houses owned by the government and about 400 privately-owned houses. The population of the city area of the territory was only 10,000 and, although during the war years the adult population grew by nearly 60 per cent, rising from a little less than 6,000 to over 9,000 adults, that only brought 3,000 more persons there, whereas during the war the public service grew by tens of thousands. This increase at Canberra of 3,000 adult persons, and a wartime growth of 500 in the age group between 16 and 21 years of age, were made possible by the wartime building of 500 houses, the conversion of hotels, business premises and schools and the disused hospital building for offices, the extension of the secretariat blocks, the commandeering of boarding houses, an overflowing into the neighbouring town of Queanbeyan, and devices which led to crowding and discomfort and, in the case of at least one

[1] Department of Interior files CL22379, and CL20690.

department, produced office conditions which a Parliamentary Committee on Public Works described in October 1943 as "congested, ill-lighted and insanitary." To raise public service staffs in Canberra by a few thousands in six years of war brought the city to a stage of discomfort and inconvenience that makes it plain that it could only have become the sole centre of wartime administration if, in 1939, a large-scale and urgent programme of building homes and offices had been undertaken and, in addition, its empty paddocks filled at once by wood, iron and asbestos hutments—a proceeding which would have been much against local pride in the garden city.

The crowding and lack of development at the national capital made it inevitable that wartime administration should expand in Melbourne and Sydney. An increase of only 1 per cent in the population of either of them was equivalent to doubling the population of Canberra. To hire or requisition only a small fraction of their office buildings would provide readily more floor space than was available in the whole of Canberra. In the first eighteen months of the war the Commonwealth Government rented about 200,000 square feet of additional space in Sydney and 250,000 square feet in Melbourne. It would have been impossible for it to have obtained immediately even one fifth of that space in Canberra. A tentative construction plan at Canberra at a cost of £250,000, which would have taken two years to complete, was estimated to provide about 210,000 square feet.

Furthermore the remoteness of Canberra from any of the Australian centres of commerce and industry meant that any matters relating to trade, supply, manufacture, labour or transport could best be administered from Melbourne or Sydney.

Thus Australia, in effect, tried to conduct a war from three national capitals with ministers, service chiefs, senior administrators and a considerable shoal of lesser fry constantly darting from one to another. The geographical location of Canberra in a pocket of the plain, with its back to the Australian Alps, meant that it was at the end of an off-shoot from the main traffic routes. Although there was an increasing use of air transport, considerably curtailed by the shortage of transport aircraft for civil aviation during the greater part of the war, most of the traffic between the three capitals throughout the war was still by rail or road. A train which left Melbourne daily in the late afternoon delivered its passengers 600 miles away in Sydney the next morning. A train which left Sydney daily in the evening delivered them to Melbourne shortly before lunch next day. Canberra passengers could travel overnight either from or to Melbourne or Sydney and could also do a day or evening trip to Sydney in five or six hours. Motor cars could hurtle over the 200 miles to Sydney in emergency in four hours and the 450 miles to Melbourne in eight or nine hours. Frequently in the course of one week a minister or a public servant might find himself in each of the three capitals in turn—Monday in his Melbourne office all day; Monday night in a train; Tuesday in Sydney and Tuesday evening on the road to Canberra. Wednesday, Thurs-

day and Friday at Canberra and Friday night in the train to spend Saturday in his office in Melbourne and Sunday either catching up on his sleep or his work. There were some senior civil servants who kept up that kind of routine week after week for five or six years. Daily from Canberra a little group of public servants would be off to Melbourne or Sydney for the sake of a three or four hour conference with other officials or for the completion of a day's business that could not be done except in one of the other national capitals. Occasionally would be seen a mass movement of seventy or eighty persons—ministers, officials, journalists, bag-carriers, and hangers-on boarding the *Spirit of Progress* at Spencer Street in a body for some important meeting in Canberra or Sydney. When Parliament was in session there was a regular tide of Members of Parliament ebbing and flowing through Canberra—up on Tuesdays, down on Fridays —and, wherever ministers were, there came permanent heads of departments in their wake, ready to help them through crises or attempting to catch them with a bundle of submissions. The problem of "trying to get the Minister to have a look at it" is not unfamiliar in government departments at the best of times; in wartime in Australia it was for some secretaries just part of the eternal peregrination of 1,500 miles a week around the Melbourne, Sydney, Canberra triangle.

Centralisation in Canberra being wholly impracticable, Menzies, by inclination and from the fact that in the early stages of the war the main departments concerned with war activities were in Melbourne, might have been disposed to concentrate in the southern capital all those parts of the administration most directly concerned in the war effort. On grounds of economy, promptness and efficiency, there would have been a great deal to commend such a move. It certainly offered the best and probably the only chance of having a single headquarters for war administration. The forces against it were the whole body of pride, sentiment, jealousy and prejudice which had led to the creation of Canberra, the fact that Parliament met in the national capital, and the political commitment to Canberra. It was a matter of political necessity to give Sydney and Canberra their quota of meetings and their share of departmental business. In the first eighteen months of the war, the Cabinet held 64 meetings in Canberra, 20 in Sydney and 34 in Melbourne. The War Cabinet, more directly linked with defence headquarters in Melbourne, held 36 meetings in Canberra, 14 in Sydney, 73 in Melbourne and one in Brisbane. Every time the War Cabinet left Melbourne the Chiefs of Staff and their entourage would also have to leave their work for two days for the sake of being present for half an hour or so to give the review of activities which was the first item of all War Cabinet meetings.[2] At a later stage in the war, Curtin, a Western Australian, 2,000 miles from home and thus necessarily a resident in Canberra without attachment to either Melbourne or Sydney, tried to hold more and more Cabinet meetings in Canberra and was disposed to make Canberra in fact as well as name the national capital.

[2] *Commonwealth Debates*, Vol 167, p. 58.

He could not, however, escape the strong practical arguments which kept Melbourne as the effective headquarters of most of those matters which were dealt with by the War Cabinet. Moreover, as war came to the Pacific and as the relationships between Australia and the United States took a more central place in the Australian war effort, the administrative importance of Sydney increased and it became the headquarters of the Division of Import Procurement and of the United States Lend-Lease Mission.

The departments created in wartime, such as Munitions, Aircraft Production, Labour and National Service, War Organisation of Industry, Transport, the Manpower Directorate, the Rationing Commission and Post-War Reconstruction, found that, quite apart from the difficulties of accommodation, the main field of their activities was either in Melbourne or Sydney, or in both, and the greater part of their wartime expansion was in those capitals. The special wartime boards and committees created in great profusion also functioned for the most part outside Canberra.

This dispersal of wartime administration between two large cities 600 miles apart and a national capital which had developed the appearance and outlook of a garden suburb was one of the major but perhaps inescapable follies of the civilian side of the Australian war effort. It wasted time and money, fretted men and hampered understanding, delayed decisions and led to conflict and duplication. The folly was relieved to some extent by the installation of "secraphones" and teleprinter services which enabled ministers and officials to talk to one another or send messages to one another, and in the future it could be relieved to a greater extent than was possible in the 1939-45 period by the development of frequent air services. Those aids, however, only relieved disabilities and could do little to build up more positively an integrated body of administrative skill, powered by a single purpose and moving in one direction. The emergency came when Canberra was still in an immature stage, still remote from the tide of human affairs in Australia, still ill-equipped for the major tasks of administration, still without the dynamism of a city, and for these reasons the existence of Canberra was an added complication to the tasks of wartime administration.

After the war had ended the distribution of the Commonwealth Public Service, including the Postmaster-General's Department, was approximately 6 per cent in Canberra, 22 per cent in New South Wales and 31 per cent in Victoria. Excluding the Postmaster-General's Department the percentages were approximately 12 per cent in Canberra, 26 per cent in New South Wales and 33 per cent in Victoria. Part of this preponderance was due to the numbers of taxation and customs officials in the State capitals, but was due principally to the fact that Defence, Navy, Army, Air, Munitions, Supply and Shipping, Civil Aviation and the more substantial part of Labour and National Service, Post-war Reconstruction, Health, Commerce, Trade and Customs, Social Services and Information were located outside Canberra and that, as a consequence, such services as the Attorney-General's and the Auditor-General's also maintained staffs in Melbourne and Sydney, as well as at head office.

D.—The Public Service.—The Public Service as customarily defined in Australia covers persons employed under the Public Service Acts and Regulations of the various States and the Commonwealth. Such a definition, in the case of the Commonwealth Government, includes a great number of persons engaged in routine and manual work on public utilities and the postal service who have only a very remote connection with public administration. In wartime it also excludes a great number who are closely concerned in carrying out the administrative acts by which effect is given to the decisions of the Government.

To clear the ground a little it would be well to look first at the proposition that wartime administration spreads far beyond the confines of the public service and even beyond the confines of government employment. As the war moved towards a total war effort, engaging the total resources of the community, and as controls gradually extended until the Government decided what activities, either in public or private employment, were essential or non-essential and directed manpower and materials accordingly, a large proportion of persons occupied in administrative tasks in private employment were, in practical effect, engaged in the administration of public affairs. The manager, the accountant and the costing clerk of a munitions contractor, working under controlled conditions, were for all practical effects just as much a part of the wartime administration as the man doing similar work in government employment. The traffic superintendent of a haulage company was helping to run the war effort just as certainly as was any senior officer of the Commonwealth Department of Transport. The employees of the banks, the stock and station firms or the superphosphate industry were drawn into the wartime administration of primary production just as certainly as the clerks in the Department of Commerce. At the peak of the war effort, the private employer or employee might well have exclaimed: "We are all public servants now". In practice, they worked to carry out the will of the Government and in accordance with its directions. In this sense, wartime administrative services were only a specialised section of the broader problems of wartime manpower and cannot be fully considered as a separate topic. Yet, at the same time, tradition, the propinquity of the public servant to the centre of political responsibility, the stricter accountability of the public servant for his actions, and the fact that at least some sections of the public service were directly assisting ministers to discharge their political responsibility, meant that those who were engaged in public affairs in the public service stood in a different class and had a different approach to their duties from those who were engaged in public affairs outside the public service. All were doing the work of the nation, but public servants were also an essential part of the government of the nation—not simply its instruments and agencies but it very hands and feet.

The error of making "public service" and "administration" identical terms led at times to a failure to appreciate the full extent of the administrative services of the country in wartime and the value of those parts which lay outside government employment. This error also helped to

aggravate one of the major shortcomings of Australian wartime administration, namely neglect to analyse the functions to be performed, and it also contributed to a tendency within the public service to see any unusual demands on administration as simply a problem concerning the engagement of public servants and the expansion of existing departments and agencies. On the other hand, the error also led to some misunderstanding of the special position of the Government and some unwarranted criticism of its methods.

The interlocking of all parts of wartime administration inside and outside of the public service was one of the problems only partly solved. The system of committees and boards, to which brief reference was made above[3] afforded one means of overcoming difficulties. In munitions production this interlocking was carried further by such devices as the creation in each State of a Board of Area Management, consisting of business men, trade union representatives and senior State public servants. These boards, in association with the various directors of production in the Department of Munitions, functioned in respect of munitions production in munitions annexes and industrial establishments other than the government factories. Within the department itself the interlocking was assisted firstly by the fact that the production directors were mostly men who had been drawn originally from private industry and secondly by the fact that they had associated with them a small but good nucleus of experienced and senior public servants who could press the interests of administration from the Government side. The munitions administration represented perhaps the most conscientious and successful attempt to obtain conformity and efficiency throughout the whole of the administrative services, private and public, devoted to the common object of producing munitions.

Elsewhere, the goal of the common effort not being seen so clearly, arrangements were less complete. In general a measure of conformity to the broad purposes of government service was ensured by the very regulation of investment, prices, manpower, labour conditions and control of production and supply which had gradually brought many important sections of commerce and industry into a national system of wartime administration. Conferences and consultations with government representatives aided understanding on objectives and some measure of standardisation on procedures when government servants and private employees were engaged on parallel or supplementary activities. In the interest of quick service and in conformity with the usage of Australian democracy, however, commerce and industry retained considerable liberty and individuality in internal management, and whether a business was well run or badly run did not usually become a matter of public concern or public record. The nearest approach to some public oversight of these private servants of the administration was through the Manpower Administration. In industries or groups which were already organised in national associations, e.g. bank-

[3] See pages 437-8 above.

ing, a Standing Committee was formed to negotiate with a Central Control Officer appointed for that industry by the Director-General of Manpower. The Manpower Directorate, on the information furnished to it by the Standing Committee, estimated the minimum staff required to enable the industry to continue to function with reasonable efficiency and the call-up, release or exemption of staff for each company was determined. This overseeing was, however, indirect and arose incidentally from manpower control.

A further large group of persons engaged in administrative services in wartime was to be found in the employees of government departments or agencies which did not come under the *Commonwealth Public Service Acts and Regulations.*

In one category were the employees of State Governments and semi-governmental organisations. Although the main burden of wartime administration fell on the Commonwealth, the implementing of many wartime decisions such as those in regard to railway transport, road traffic, evacuation of civilians, civilian defence, road construction, agricultural production and munitions production in railway workshops devolved, for the most part, on the public services of the various States. The maintenance of public utilities such as water, electricity, gas, and a large proportion of the public services such as health, education, transport and fire protection remained with the States or with semi-governmental bodies and local authorities in the States. Although they suffered some reduction in employment, in contrast with the expansion in Commonwealth employment, the employees of State Governments, semi-governmental bodies and local authorities at the end of the war were half as large again as the body of Commonwealth employees.

A further category was to be found in Commonwealth employees outside the *Public Service Act.* Some of the commissions, committees, boards and agencies created for special or temporary purposes in wartime engaged their own staffs. For example the Rationing Commission had a staff of over 1,000 and various boards associated with the Department of Commerce and Agriculture had a staff of over 900. In the three armed services and in the Munitions, Aircraft Production and Supply Departments there were thousands of men and women, wholly engaged in office and administrative work, who were employed under the *Naval Defence Act, Defence Act, Air Force Act* or *Supply and Development Act.* Because of the nature of service organisation wartime totals are incalculable but, after the war was over and demobilisation ended, a proposal to bring under the *Public Service Acts* the staffs still employed under other Acts affected the transfer of 8,000 officers from the Departments of Navy, Army, Air, Munitions (including Aircraft Production) and Supply, these figures excluding all "wages staff". The wartime peak of "civil personnel" was 13,102 in the army and 12,240 in the navy, and the administrative staff of the Department of Munitions included at the peak about 6,000 not under the *Public Service Act.* The staff of the Repatriation Department and War Service Homes also worked under their own Acts until 1947, when 8,974

of their officers were transferred to the public service. From 1942 onwards, with the introduction of uniform taxation and the establishment of the Manpower Directorate there was also an increasingly large body of State public servants who became temporary Commonwealth public servants until nearly 3,000 were permanently transferred by post-war legislation.

Another growth, also imperfectly recorded in detail, took place in inter-Allied services, and among the Australian civilian employees of authorities set up in Australia by the United States of America and, to a much more limited extent, by the United Kingdom and the Netherlands. Among Australian ministers and non-departmental agencies themselves there was also created quite a corps of private secretaries, public relations officers and persons with less clearly defined duties who added to the considerable body of workers in wartime administration outside the narrow meaning of the Commonwealth Public Service.

The civilian war effort was not, as might sometimes be supposed, run by Commonwealth public servants. Indeed, when we come to the Commonwealth Public Service itself, narrowly defined as those employed under the *Commonwealth Public Service Act and Regulations,* we find a body of administrative personnel much smaller and weaker than might have been expected.

The numbers in the Commonwealth Public Service grew from 47,043 in June 1939, to 94,080 shortly after the armistice with Japan, but these figures do not reflect accurately the part played by the service in staffing wartime administrative services. The pre-war figure includes a great number of employees not engaged in administrative work. The Commonwealth Public Service is in four divisions. The first division is made up chiefly of permanent heads of departments, the second contains officers who exercise, under the permanent heads, executive or professional functions in the more important offices in the service. Comparatively few officers are graded in the first and second divisions. The third division, which contains slightly less than a quarter of the service, is made up of clerical and professional officers who carry out the bulk of administrative routine, and certain postmasters, postal clerks and telegraph officers. The fourth division, which contains about three quarters of the service, is mainly composed of officers employed in the Postmaster-General's Department. This division also contains most of the female workers, such as typists. At the commencement of the war there were fewer than 12,000 Commonwealth public servants in the first, second and third divisions and of these only 8,871 were permanent officers.

Closer analysis of the total of 47,043 permanent, temporary and exempt officers at 30th June 1939 shows that 34,726 were in the Postmaster-General's Department and 2,460 in the Trade and Customs Department; and, although both Post Office and Customs Office have been good training grounds for general administration, a very high proportion of these numbers were men engaged on specialised and technical tasks or as tradesmen, and could not be regarded as qualified or available for the additional duties of wartime administration. The total also included over 4,000 tem-

porary and exempt officers of the Department of the Interior, and officers engaged in transport services, maintenance work and other outdoor duties, who could not be regarded as contributing to the general pool from which wartime administrators, higher clerical officers or efficient clerks could be drawn as the wartime administration grew. In fact, the pool dwindles, from these and similar causes, to little more than six or seven thousand members of the Commonwealth Public Service, both permanent and temporary, to undertake the increased and specialised wartime administrative and clerical duties of existing departments and to staff the new departments.

As a consequence of the pre-war weakness, about two-thirds of the total staff of the Commonwealth Public Service at the close of the war were temporary. The wartime expansion, with the exception of a small number brought back from retirement or borrowed from State Public Services, was made by the recruitment from outside the public service of persons without any previous experience in public administration, although some of them brought in special qualifications of a far higher order than customarily required by the service.

The lack of a numerically strong body of professional administrators for staffing wartime administration was accentuated by the weakness of the pre-war Commonwealth service in other respects. The small body of Commonwealth public servants at the beginning of the war was by no means highly qualified. There were professional officers in the legal, medical, engineering and scientific branches of the administration and a group of four or five trained economists in the Bureau of Census and Statistics. For the rest, departments had tended to train their own specialists rather than to engage experts, and the form of specialisation had meant in effect that the same officer had been doing the same branch of work over a long number of years, a process that was apt to narrow the officer's outlook, so that he knew his own files more thoroughly but saw other affairs of state less clearly.

The initial recruitment for the service was at a modest level of educational attainment. Recruitment for the third division was either by public examination at a standard described as being based on the school Leaving examination—the examination which youths normally take at the age of 17-18 years at the end of their secondary school course—or by transfer from the fourth division by competitive examination at a somewhat lower standard. By an amendment of the *Public Service Act* in 1933 provision was also made for the appointment to the third division of University graduates of not more than 25 years of age up to a total of 10 per cent of the number of appointments to the third division by examination in any year. The first and second divisions were normally recruited by promotions from the third division.

The application of these rules was modified by the preference of employment granted to returned soldiers after the 1914-18 war, the practical effect of which was to admit ex-members of the forces to the third and fourth divisions at a lower standard of qualification. In the case of the third division an ex-serviceman could qualify at an examination

described as being equivalent to the Intermediate school examination—the examination which youths normally take at the age of 15-16 years or earlier. Up to 30th June 1939 7,099 had been recruited to the permanent staff; on the same date 4,342 returned soldiers were employed temporarily.

Most of the recruitment of returned soldiers had been during the period 1919-1932 but continued at the rate of about one in four up to the outbreak of war. The great proportion of the appointments was to the fourth division and, in the normal course of events, if an exceptional and urgent situation had not arisen, it is doubtful if there would be any substantial ground for questioning the practical wisdom of this well-deserved recognition of those men who in 1914-18 had volunteered for battle. When considering the emergency of 1939-45, however, there is need to examine the effects of this policy of preference as one of many factors affecting wartime administration. The policy of preference to soldiers can itself be left above question.

During the period from 1918 to 1932, out of 1,779 permanent appointments to the third division, 1,031 were of returned soldiers admitted at the lower standard. Of the rest 699 were cases of promotion from the fourth division after a service examination; and during the whole period only 49 youths had been admitted by passing the examination at leaving standard.

The effect was that in 1939, when the Commonwealth looked for an experienced and energetic body of some thousands of officers who would be between 30 and 40 years of age and have between 10 and 20 years of departmental service, from whom men might be picked for responsible wartime tasks, it looked in vain. It could not have found more than fifty men in that category. A few of the returned soldier recruits had already shown out in front of a mediocre service and were filling senior posts; the others who had not been able to improve on their opportunities formed a body of men 45 years of age and upwards, some beginning to feel more acutely the effects of their war service, who had entered the service at a low standard and settled into the routine and security of a steady job. The third division at the outbreak of war was seriously deficient in young, vigorous and well-qualified officers.

Another element in the pre-war situation was a very high proportion of temporary and exempt employees in the public service as compared with permanent employees, the respective totals in June 1939 being 14,614 temporary and exempt and 32,429 permanent. Part of the reason for so large a body of temporary employees was the inability of some of them to pass the qualifying examinations even though the standard was low. Some of the temporary public servants had been temporary for a very long time, although the total had fallen below 5,000 in the depression years. In general, however, the position at the outbreak of war was that out of a total in the Commonwealth Public Service of 47,043, nearly a third were temporary or exempt employees who were either not fully qualified or not wholly assimilated to the service.

In the post-depression years there had been some attempt to remedy these defects in the service. From 1936 the temporarily arrested recruitments of permanent officers was resumed, and proceeded at the rate of 300 to 500 recruits a year, which was not nearly enough to recover from the setback to normal growth caused by the reduction of governmental expenditure after 1930-31, or to provide for the expanding responsibilities of government. The total of permanent officers rose from 29,015 at 30th June 1937 to 30,439 in 1938 and 32,429 in 1939, but the increase was mainly in the post office. For example, out of 1,848 males recruited to the service in 1937-38, 1,268 were for the post office as telegraph messengers, linesmen, telephonists, mechanics and junior mechanics and only 198 were recruited as clerks.

Thus, not only was the service almost wholly deficient in experienced men in the 30-40 years age group but it was extremely weak, too, in the younger men in the early twenties, who, with the advantage of two or three years' experience might assume rapidly-increased responsibilities.

Some attempts had been made to raise the quality of entrants by giving special attention to the recruitment of University graduates but the 10 per cent of new places available were not regularly filled. Seven were appointed in 1937-38 and fourteen in 1938-39, and at 30th June 1939, the total of graduates who had been recruited under Section 36A and had remained in the service was only 49, of whom 20 were on technical or professional work, not general administration.

The weakness of the service in younger men was accentuated by enlistment in the A.I.F., navy or air force, over 1,000 permanent officers being accepted for overseas service in the forces within twelve months of the outbreak of war, while others in their respective age groups carried out their liability for universal training. Enlistment was encouraged by special arrangements to protect the interests of officers in their absence and the general official attitude to enlistment is indicated by a War Cabinet Minute of 24th April 1941: "It was stated that there was some reason for believing that heads of Commonwealth Departments were placing difficulties in the way of enlistment of young officers employed in their departments, and it was directed that a communication be forwarded to all departments bringing to the notice of permanent heads the necessity of permitting the enlistment of employees to the fullest extent possible."[4]

In March 1942 the War Cabinet varied the earlier decision with a direction that, generally, all officers up to 25 years of age with less than five years' service should be released and that all other cases, when a department wanted to hold an officer, should be investigated by a committee consisting of a nominee of the Manpower Directorate, of the permanent head of the department concerned and of the Public Service Commissioner.[5] The application of the rule was somewhat uneven, some

[4] War Cabinet Minute 962, 24 Apr 1941.

[5] For the application of this system see *Control of Manpower in Australia*, issued by Director-General of Manpower, Sep 1944. Marked "confidential", pp. 158-60.

permanent heads being disposed to hold all the officers they could and others letting men go freely.

The faults in the recruitment of the service had not been repaired by training or tradition. Except to meet the specialised needs of the Post Office, in-service training was of little consequence. Nor were the customs and the conventions, the administrative routine or even the form and style of papers, cards and folders used in the public service so well established as to ensure that the young officer who learnt by doing would come to the happy end of sound technique in administrative practice.[6]

In a few cases the conscientious young officer, eager for self-improvement, would seek by his own efforts to add to his qualifications by attending courses outside the service, and was encouraged to do so under a scheme by which free or assisted places were provided at the Australian universities. At the commencement of 1939 eighty-five such free or assisted places were held.

It was not yet, however, a service that had a tradition of high qualifications nor had it yet found its own methods of formal training. It was indeed rather doubtful about the "educated" public servant, the big majority on the lower ranges seeing the introduction of graduate recruits as a danger and insisting on the limitation of special graduate recruitment to 10 per cent of total intake in any year.

The main problems which faced the Commonwealth Public Service in wartime arose from an increase in the amount of work to be done and the fact that many novel tasks had to be done under novel conditions. Some departments experienced a lightening of tasks in one direction and an increase in another; some functions might be temporarily in abeyance and tasks formerly of lesser importance became of prime urgency; some departments incurred many new functions and others incurred few; some totally new agencies had to be created for totally new activities.

The situation was one that called for careful analysis, imagination and readiness in making adjustments both inside each department and in relationships between departments. It called not only for more staff but for staff with diverse qualifications. Furthermore, behind the daily duty of carrying on with administrative services—adding up the figures, writing the letters and carrying out the Government's decision—was the paramount need for doing the groundwork of administration—assembling information, studying, drafting, submitting. In wartime even more than in peacetime, the Government stood sadly in need of its experts, its advisers, its planners who would do on the civil side the work it might expect from its Chiefs of Staff and defence authorities on the military side.

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[6] A research worker who first tried his prentice hand on the records of the Australian Crown Colony days and of an Australian State Government, was amazed and incommoded on working among Commonwealth Archives at the comparative sloppiness of many departmental files and the inefficiency of the records systems of some departments. There are notable exceptions and, indeed, another outstanding impression is the disparity between the good order and regularity of practice which may prevail in one department, and the untidiness and unevenness in procedures in another department. In one case the public servant has clearly known what procedure to follow and in the other has worked haphazardly.

There are few signs that wartime administration was seen by the public service in this way. There was a contemporary practice of referring to certain departments as "war" departments, meaning apparently that they were primarily concerned with the conduct of the war and that other departments were not. Even after five years of war there was still one permanent head of a department who, in answer to a question about the wartime activities of the public service, repeated the fatuous statement that his department was "not a war department" and therefore had no special wartime activities—a statement that gives some ground to the assumption that the wartime doubling of his departmental staff had been allowed to take place without much understanding of the nature of the additional functions they were to perform.

Except in three or four of the departments directly involved in the conduct of the war or the discharging of the totally new tasks on which the Government had decided, it is difficult to find any evidence that the public service itself gave any close attention to the analysis of its functions in wartime. Among phrases used in the *Seventeenth Report on the Commonwealth Public Service,* by the Public Service Board, presented on 11th December 1940, were "strengthening the staff of the war departments" and providing staff "to meet added pressure of work in other departments"; and the board's approach was that of meeting a staffing problem by transferring officers from one post to another and engaging some temporary employees. In the first year of war staffs were increased by about 6,000 compared with the annual rate of about 3,000 in the three pre-war years. In the first nine months of war, up to 30th June 1940, the increases were confined chiefly to the Defence Department, the civilian establishment of the armed services, Supply and Development, Munitions, the modest staffing of the new Department of Information and the Prices Branch, the Department of the Interior, which was engaged in greatly increased constructional work, and the Department of Civil Aviation, which was completing its initial establishment. During the financial year to 30th June 1941, Defence, the Service departments, Supply, Munitions and Aircraft Production doubled their staffs and Information and Prices greatly expanded, but the other services of the Government carried on with only modest increases. The major expansion began in the financial year 1941-42, during which several new wartime services were inaugurated and departments such as Treasury and Commerce began to show a more marked response to exceptional wartime demands. In the early period up to the middle of 1941 there was a certain hesitation about new recruitment, but a few temporary officers were cautiously selected for special posts, having regard to their specialised training in fields not usually covered by the public service. The big flow of temporary appointments from outside the service was not visible until the second half of 1941 and the steep rise in the total number of public employees, due entirely to the engagement of temporary employees, began with a change in the nature of the war in 1942.

The possible sources from which senior officers might be drawn included the public services of the various States but, with notable exceptions, such

as the Director-General of Manpower and the Secretary of the Department of Home Security, the borrowing of administrative officers was limited, largely because the States were also under the necessity of maintaining their own services. The professions, business world and universities were drawn on more freely for senior men, the transfers going side by side with the curtailment of their normal activities, although many of the more highly-qualified employees in the business world were necessarily retained by industry and the influx into government service was made up not only of people selected for merit but of a number of those who had been displaced from private employment. In the lower levels of the service, as the war went on, the young and able bodied men under twenty-five years of age were released for military duty and were almost wholly replaced by a motley host of women, the medically unfit, the aged and the youthful of varying degrees of competence. In a few rare cases the newcomers, and particularly some of the married women who took employment during the absence of their husbands in the fighting services, were better qualified than the officers they had replaced, but the inefficiency and unreliability of most of these temporary junior officers became accepted as one of the unavoidable disabilities of wartime.

This rapid growth through the recruitment of persons inexperienced in public administration placed enormous burdens on the small body of Commonwealth public servants, numbering possibly only a few hundreds, who had both experience and capacity. They naturally occupied most of the senior positions and also had the responsibility of acting as the guides and instructors of the newcomers from the business and academic worlds, many of whom had the oddest notions of how public business could be conducted. One of the most remarkable achievements of wartime administration was surely the way in which so small a leaven worked on so large a lump. The public service, too, found its exceptional men in response to exceptional need, but they were far too few. Its triumphs were largely the result of individual capacity and initiative and the characteristic national talent for improvisation, rather than of organisation. Sheer hard work, devotion, and a spark of genius here and there made the administrative services work.

Attention has already been drawn to the fact that public service administration was one of the matters overlooked in the pre-war national planning and it continued to be overlooked during the most of the war. There was in existence one body which might have been expected to see wartime needs in the administrative services and to accept some responsibility for seeing that they were met adequately, but a truncated Public Service Board showed little trace of having any conception of the problem, and apparently did not even entertain the notion that its responsibilities in regard to the efficiency of the public service extended to the functioning of the service in the exceptional circumstances of war. At a time when the number of public servants grew from 47,000 to 100,000 its own staff was reduced, most of its most senior officers being lent to other departments. It occupied itself with seeing that the regulations were satisfied and

left departments to use their own initiative in finding recruits, in reorganisation and demarcation of functions.

In April 1941 the War Cabinet, after a discussion on the shortage of efficient staffs in the service departments and other war departments, asked the Public Service Board to prepare a statement showing the conditions applying to temporary employees, married women and men over the retiring age and "to put forward proposals". The board reported that the requirements of the war departments had been met primarily by the temporary transfer to them from time to time of experienced officers from other Commonwealth departments, these "other departments" being left to make "consequential adjustments of the remaining staff and utilise temporary assistance". For the rest, the board was vague, and no substantial proposals were made. The board stated the position correctly, but was seemingly oblivious to the certainty that the tasks of administration would grow and that thousands of employees of all grades would be required.

Besides the need for some body to consider the public service as a whole and help shape its wartime growth and look to its proper functioning, there was also a need for the overseeing of the whole of wartime administration. Because, as indicated above, the employees who came under the Public Service Act and Regulations formed only a part of wartime administration, it is doubtful whether the Public Service Board, as constituted, was in a position to take the broad view of administrative services. If, before the war, or at an early stage in the war, the board's functions and powers had been extended over the whole of wartime administration, and if it had been impressed upon it that its powers related to the functioning of the administrative machine as well as to watching the rates of pay and rights of its employees, and if its membership and staff had been strengthened to carry out these duties, there could have been a great gain in the economy and effectiveness of administration. As it was, the memory and record of departmental activities during wartime offer many contrasts between small and overworked staffs staggering under loads of work in one section and grossly inflated staffs amusing themselves with needless memoranda in another; between the skill and energy in one quarter and blundering obstruction and delay in another; the uprush of ideas from one department and the squashing of enterprise in another; orderly procedures here and untidiness there; in one post a man admirably fitted for his duties and in another a man totally unsuited to the job he had to do; in one place perhaps too great a rigidity in keeping to the strict rules of the service and in another perhaps too much haste in taking short cuts headlong into administrative swamps.

To most of those Australians who engaged in wartime administration the tasks were just as novel as those that faced the civilians who were drawn into the armed services. The lack of a corps of professional administrators was comparable with the lack of a sufficient nucleus of trained soldiers. But whereas in the one case the navy, army and air force took their recruits in hand and trained them rigorously for their new

duties and selected and trained their leaders with care, the thousands of recruits to various branches of wartime administration for the most part trained themselves and there was never at any time any efficient body comparable to the Chiefs of Staff or the Defence Committee to watch the planning and functioning of the organisation as a whole and advise the government accordingly. Wartime civilian administration resembled a more primitive way of waging war in which a number of departmental chiefs assembled and led their own hordes in a common cause, some preferring to stay and hold the peacetime fort and others branching out into highly enterprising forays.

CHAPTER 12

POLITICAL CRISIS, AUGUST-OCTOBER 1941

1—THE DOWNFALL OF MENZIES

MENZIES had returned to Australia at the end of May inspired by Britain's example, convinced of growing danger, and conscious of his mission to give leadership and inspiration to the nation. As already recounted, he reconstructed the Cabinet on the 26th June, announced an intensified war effort, and sketched the outlines of administrative changes. He and his staff had brought back with them extensive reports on various aspects of the war effort. By the middle of July, instead of leading the nation to greater efforts, he was grappling with dissension in his own party and open hostility from some of its members. Instead of proceeding with the great administrative tasks he had set himself and the nation, he was struggling once again for sufficient political stability to ensure that he could obtain two months' Supply and then bring down a Budget. Instead of inspiring a common effort he found himself attacked by a section of the Opposition with unabated venom, and publicly castigated by some of his own supporters as a political liability.

It is difficult to accept the opposition to him as a reasoned judgment of his new policy. It began before there had been any opportunity to make such a judgment on what he had done or declared since his return from Europe. Within three days of his landing in Sydney a section of the Labour Party was making opportunities to drag him down. Within a week there were signs that there were dissidents within his own party. By the first week in July the dissension within the U.A.P. had become common property and was being freely reported.[1]

The antagonism of a section of the Opposition to Menzies was in character with previous attacks on him and the only novel feature in its effects on this occasion was found in the fact that it was used by certain U.A.P. "rebels" as an argument that Menzies himself was an obstacle to working in harmony with the Labour Party and that he was unpopular in the country. It is true that throughout his political career Menzies had attracted perhaps more antagonism from Labour than most leaders of his party, but it was sheer illusion for any non-Labour member to imagine that the removal of Menzies would by itself give political stability or that any other leader of the non-Labour parties would enjoy a better prospect of being supported in office by the Labour Opposition. The comparative tranquillity in party relations during the three months under the affable Fadden, while Menzies was in Europe, had perhaps deluded them into thinking that a permanent balance in wartime government and a better war effort might be found by turning the stop-gap into the cornerstone. Subsequent events were to show quickly the folly of that opinion.

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[1] *Sydney Morning Herald*, 4 Jul and 7 Jul 1941.

It would reveal a much less repulsive condition of Australian politics if one could believe that the members of the U.A.P. who opposed Menzies and worked for his deposition in July and August 1941 were doing so simply because of their illusion that political stability and a united war effort might thereby be gained. It is difficult, either from the records or by tapping the memories of the participants, to reach with certainty an understanding of men's motives in this situation but they certainly were not as simple as that.

Certain elements in the situation can be seen with reasonable clarity. First, there was a growing concern and dissatisfaction with the state of Australian political life and national disunity in face of the growing dangers in the Far East. Some men saw this situation in an excited and impulsive way. There was also a feeling that administrative action was becoming slow and indefinite, with words outstripping deeds. Second, it is also clear that a number of persons had reached a personal judgment that Menzies could not invigorate his team, however brilliant he might be as an individual. Such persons spoke of his aloofness, of his desire for pre-eminence, of his disposition to score off opponents; and some of them, too, alleged that he was too closely associated with big business interests in the city of Melbourne to win the trust of the common people or to ensure the full cooperation of equally powerful interests in Sydney. Their judgment was probably wrong, but the truth or falsity of the belief was of less importance than the fact that in such a situation such beliefs were spread. The fact that some seven or eight of his own party should have shown dissatisfaction to his leadership was, in a negative way, evidence of some shortcoming in that leadership. There is some indication in the records, too, that Menzies had returned from abroad with memories of how Churchill handled his Cabinet. One or two of the things he said to his colleagues were perhaps a little more Churchillian than tactful. Australian politicians might admire the Churchill touch abroad but did not welcome it at home. Third, quite apart from the personalities involved, the United Australia Party itself had been disintegrating for at least three years past; the internal loyalty of the party had been damaged by a variety of causes and party discipline weakened over a long period of time, while the party had accumulated within itself the poison of personal disappointments and animosities. Far from binding the party more tightly together, the coming of the war had removed the opportunities it might otherwise have had for internal reconstruction. There is no sign of any major difference on policy within the party membership. There was no political or doctrinal cleavage. Indeed there was a marked lack of that vivifying contest of ideas within the party or that fierce devotion to a political creed which would give all members a common cause. The party had lost its political health before war began. There were signs, too, that the leader himself had become sick at heart at the constant struggle against unreason.

When, however, one passes from these factors in the situation, a quagmire begins. It is clear that the dissension became more marked after the reconstruction of the Cabinet on the 26th June, and it was promoted

principally by those who had not benefited from that reconstruction. The contemporary press described the cause of the trouble as being the hostility of "the forgotten men".[2]

The public statements of two open "rebels"—Hutchinson of Victoria and McCall of New South Wales—certainly set a low value on their conception of party responsibility and their motives in challenging their leader in public. Those members who joined with them appear to have had nothing in common except their discontent. Their words and actions were those of sour and petulant men, each stirring up his own grievances, or seeking the gratification of public notice, rather than of men advancing a common principle. On 17th July Hutchinson, in a public statement, demanded that Menzies should resign the Prime Ministership in favour of Fadden. He was reported to have been supported in his demand for a joint meeting of the Governmental parties by McCall, Sir Charles Marr and T. W. White.[3]

Menzies, taking the view that this was a matter of public criticism of his leadership by some members of the U.A.P., called a meeting of the U.A.P. only. Fadden, taking a similar view, let it be known that he did not consider it necessary even to call a meeting of the Country Party.

The U.A.P. meeting was held at Canberra on the 28th, after a week of injudicious and unenlightening airing of grievances in the press. During the course of this public controversy, the *Sydney Morning Herald*, which now openly joined those working for the removal of Menzies, canvassed the idea that perhaps Mr Menzies might serve Australia better if he were sent to London as Australian Representative.[4]

The party meeting was attended by twenty-eight members out of the forty parliamentary members of the U.A.P., and, after the meeting, the Party Whip reported that the speeches showed overwhelming support for Mr Menzies. From press reports, it would appear that no formal motion to remove him from leadership was submitted and hence no formal motion confirming him in his position was put to the meeting. The only one of the publicly-announced "rebels" to attend was McCall, who made what the press described as "a sustained and bitter attack" on Menzies. Various newspaper reports speak of critical speeches by Duncan-Hughes, Cameron, Sampson, Price and Spooner, and, according to such reports, two points on which most members felt strongly, including some of those who might have been prepared to confirm Menzies in leadership, were that the question

[2] *Sydney Morning Herald*, 7 Jul.

[3] Hon Sir Thomas White, KBE, DFC. (1st AIF: Aust Flying Corps 1914-18.) MHR 1929-51; Min for Trade and Customs 1933-38, for Air and Civil Aviation 1949-51. High Commnr for Aust in London 1951-56; b. North Melbourne, 26 Apr 1888.

[4] In an editorial of 26 Jul the *Sydney Morning Herald* said: "The Prime Minister has brilliant gifts, but the passage of time has tended to show that he has certain defects arising from these very qualities. It is being freely questioned among his supporters whether his judicial tolerance, his keen analytical brain and the sparkling dialectic are not better suited to the higher Council Chambers of the Empire rather than to the post of man of action, which demands rapid decisions, the devolution of responsibility and hasty improvisations. His own temperament has combined with political circumstances to carry far too much important material through the single channel of Prime Minister and the need of a more rapid rate of flow has long been apparent . . . . Mr Menzies has not succeeded in commanding that loyalty or obtaining that unity, which he himself declares to be essential."

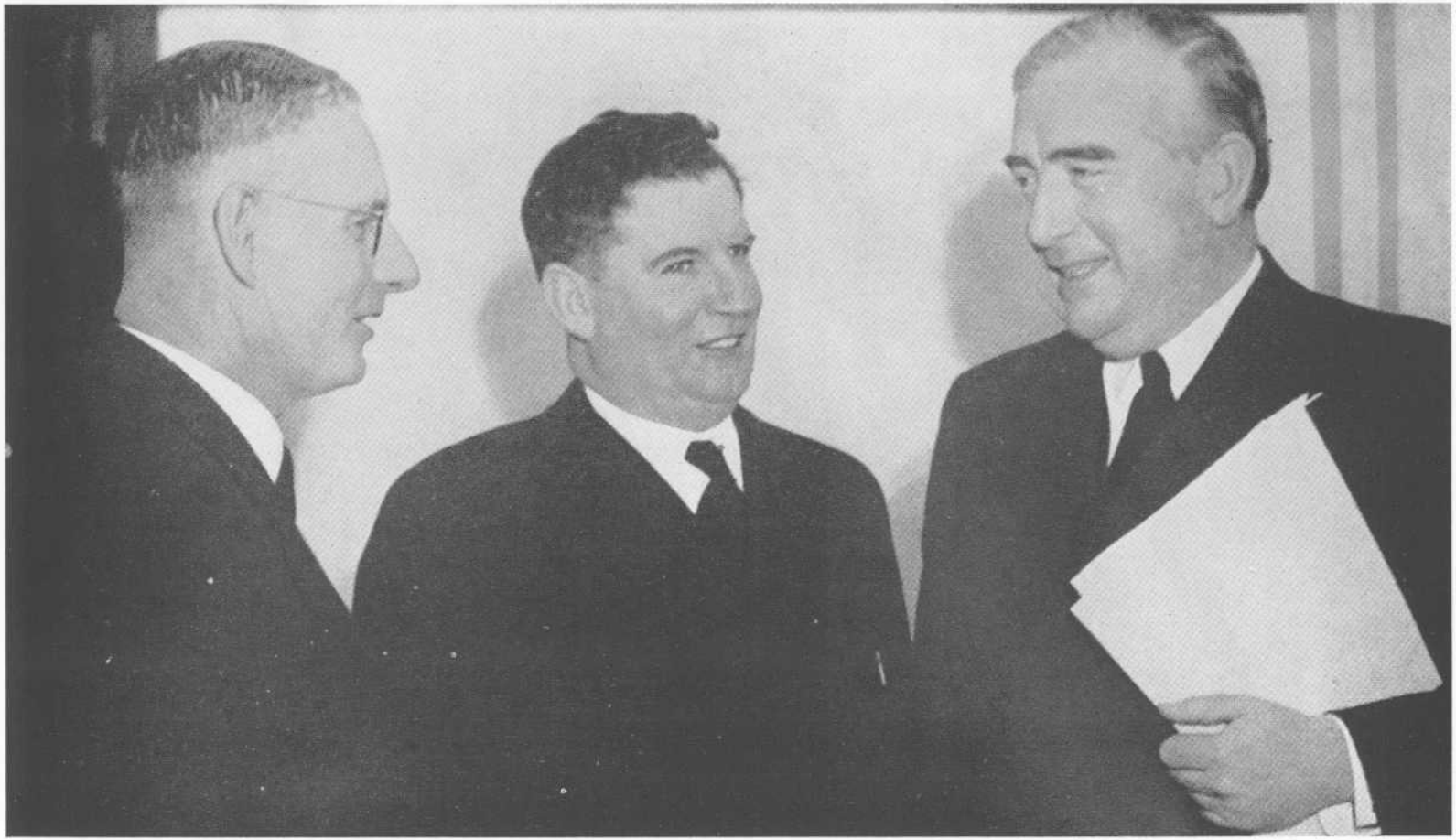
of leadership should be submitted to a joint meeting of the two Government parties and that the Government must at all costs avoid an early election.

This fear of an election was a further element in the general situation. Seeing the impossibility of its present position, it would have been natural for the Government to have turned over the possibility of finding a way out of its troubles by an appeal to the electors and, once it began to think in that way, it would have to think of an issue. Fear of an election undoubtedly entered into the party dissension, both by reason of doubts whether Menzies would commend himself to the electors as a leader and by reason of the obvious attempts by some individuals to curry favour with the electors. McCall told the press that his challenge to the party leadership had come to a head because the Prime Minister had suggested at a meeting in Sydney that an opportunity should be sought for a "law and order" election as soon as possible[5]—a statement which in due course Ward expanded imaginatively into a story of a U.A.P. plot to create industrial turmoil solely in order to ask the electorate for authority to put it down.[6] Menzies said the statement was quite untrue and added that for a member even to profess to make a statement in public about a private discussion between the leader of his party and the executive of the party organisation—a meeting at which the member was not present—seemed to him to set a new standard of public indecency.[7] Sir Charles Marr, who had not been present at the meeting on the 28th, made a statement on the same evening in the course of a further attack on Menzies that one of his main reasons for supporting the move to displace him was "the Prime Minister's championship of the big monopolies"—a statement that had more popular appeal than truth or relevance.

Although by his management of the party meeting on 28th July Menzies had surmounted the immediate crisis, he had not secured his future nor quietened the malcontents. The signs of dissension had also revived a more lively expectation in the Opposition that it would soon be able to take office. Some of those associated with, or close observers of, the contemporary political scene have declared in conversation that the more ambitious members of the Opposition had been active behind the scenes in stimulating the public activities of Hutchinson, McCall and Marr. However that may be, they had certainly been working to assist the general disparagement of the Prime Minister and the fostering of the allegations that he was an administrative failure and in collusion with profitmakers.

There was still, however, a division of opinion in the Labour Party whether Labour should seek to obtain office. Curtin would appear, from Advisory War Council records and parliamentary debates, consistently to have subordinated the party advantage to the need for political stability during a critical period of the war and also to have felt some obligation not to embarrass the Government. There were also still good reasons why Labour should hesitate to rush into office before it was certain that

[5] *Sydney Morning Herald*, 21 Jul.
[6] *Commonwealth Debates*, Vol 168, p. 98.
[7] *Sun* (Melbourne), 22 Jul.



Argus (Melbourne)

Three Prime Ministers within two months: John Curtin, A. W. Fadden and R. G. Menzies.



Daily Telegraph (*Sydney*)

The Volunteer Defence Corps. Raised and maintained during its early years by the Returned Soldiers' League, its original members had all served in the 1914-18 war. As a result of their work "a well-trained and properly organised force of 50,000 men was handed over to the army on 15th May 1941" (General Sir Harry Chauvel, Inspector-in-Chief, V.D.C., in foreword

it could hold office. A Labour Prime Minister would have to consider what capacity he had for financing the war without entering into a contest with the more radical elements among his own supporters and whether he could administer the necessary wartime controls without breaking some of the most sacred tenets of his own party. Labour, too, was as reluctant as the Government to precipitate an election. There were, however, elements in the party which thought chiefly of office, who believed that Labour had hung back too long, and believed that a change of Government could be managed without an election. The dissension within the U.A.P. gave encouragement to this second group and presented a challenge to the first group.

During the first fortnight of August, there was constant public speculation as to what Labour would do and, although Curtin would not commit himself publicly to any move for the overthrow of the Government, Beasley and Evatt both contended that Labour must be prepared to take office and publicly called upon the Menzies Government to resign.[8]

While the Prime Minister had been surmounting this domestic crisis and attempting to convert into administrative action his programme of an intensified war effort, the outlook in the Far East had become darker. On 23rd July the Japanese demand for bases in French Indo-China became known and on the following day Japanese warships were reported off Camranh Bay; and on the 25th and 26th Japanese assets in the United Kingdom, Dominions and the United States of America were frozen and all treaties with Japan were denounced by Great Britain. This action was followed by the freezing of British, American and Dutch assets in Japan. On the 28th Japanese troops landed in Indo-China and on the 29th a pact between Japan and the Vichy Government was announced, revealing that Japan had obtained the use of eight aerodromes in Indo-China. On 4th August Sir Iven Mackay was appointed Commander-in-Chief in Australia as a move in recognition of the possibility that Australian troops might have to defend Australia on their own soil. On the 6th the British Foreign Minister issued his warning to Japan of British concern in any attack on Thailand; and the question of what action Britain and the Dominions should take, either alone or with the U.S.A. if Thailand were invaded, became at once the subject of inter-governmental communication. A few days later Menzies was informed of the departure of Churchill for a rendezvous with Roosevelt in the North Atlantic and of the hope that something regarding future action in the Far East would emerge from the conference.

The whole situation in the Far East and the effects of Japan's southward move were discussed with the Advisory War Council on the 29th July and, in the light of further information, this discussion was renewed at a further meeting of the Council on 6th August. The possibility of war with Japan over Thailand was plainly before the Council.[9]

[8] *Age* (Melbourne) and *Sydney Morning Herald*, 13 Aug 1941.

[9] Advisory War Council Minutes 431/451. See also Chap. 13.

On 9th August the Prime Minister commenced a tour of the Australian capitals leaving Melbourne by train for Adelaide. On arrival at Adelaide on the morning of Sunday, 10th August, he received certain papers which led him to cancel the tour and return the same night to Melbourne, where a meeting of the Full Cabinet was held at noon on Monday, 11th August.

Subsequently it was publicly alleged in Parliament by members of the Opposition that the abandonment of the tour and the return to Melbourne were a piece of political stunting and that the Prime Minister had used the international situation in order to cover up the embarrassments of his party political difficulties. While it is impossible to say with certainty that domestic political calculations did not enter into the decision, the undoubted facts are that the messages received in Melbourne on the 9th and handed to Menzies in Adelaide concerned the prospective meeting between Churchill and Roosevelt in the North Atlantic and the possibility of momentous decisions regarding concerted action in the Far East, and that the meeting of the Full Cabinet was called in Melbourne for the purpose of reviewing the Far Eastern situation and determining the policy which should be adopted if Japan should invade Thailand. The Australian Government, in common with those of other Dominions, had been asked to indicate its view on whether or not a declaration should be made to Japan by the British Empire or preferably by the British Empire and the U.S.A. regarding Thailand. The issue in its baldest terms was whether or not Australia favoured going to war, with or without American aid, if Japan invaded Thailand. The urgency of the situation arose from the fact that the Japanese were already establishing themselves in force in the neighbouring territory of Indo-China and that further news had been received of Japanese naval movements.

Such news would alone have justified the calling of a Full Cabinet meeting and the cancelling of the Prime Minister's tour and also would have justified the decision which the Full Cabinet took on 11th August that the Prime Minister should go to London as Prime Minister to take part in discussion on this important question. The Full Cabinet did make decisions on the Far Eastern situation and they were communicated to London on the evening of the 11th.[1]

When the Full Cabinet decision became known, the Deputy Leader of the Opposition, Mr Forde, immediately said that members of the Advisory War Council should have been consulted by the Prime Minister about his proposed return to London before Cabinet made its decision, and he immediately set the tone for a considerable part of the subsequent Labour criticism by saying:

> In my opinion, the Cabinet's decision is actuated more by political expediency than by international considerations. If Mr Menzies persists in his decision to return to London, the people of this country and of Britain will suspect that his colleagues who have been obviously troubled by the dissatisfaction on the Govern-

[1] See Chapter 13, page 530, below.

ment side in regard to his leadership, have worked out a compromise to save the face of the Prime Minister and of his Government.[2]

Curtin, who had been in consultation with Menzies on the situation in the Far East during the time that Full Cabinet was meeting on the 11th, was silent. The whole question of a declaration on Thailand and the Churchill-Roosevelt meeting was being treated with the utmost secrecy and it may have been that he had not felt free to disclose what he knew.[3]

Forde's statement appeared in the press on the morning for which a meeting of the Advisory War Council had already been called and was made before any of the reasons for the Full Cabinet's decision had been communicated to members of the Advisory War Council. When the Council met in Melbourne on the 14th there was both a full discussion of the situation in the Far East and of the particular reasons why it had been thought advisable to ask Menzies to go to London. Records of this meeting disclose what had been implied in the earlier press statement: that the Leader of the Opposition, Curtin, saw the matter differently from his four colleagues on the Council—Forde, Evatt, Makin and Beasley.

After a long discussion of the seriousness of the position in the Far East[4] Menzies informed the Council that the Full Cabinet had requested him to go to London as Prime Minister in order to represent the Commonwealth in the United Kingdom War Cabinet. Forde immediately opposed the suggestion saying that the primary duty of the Prime Minister could only be discharged in Australia. Curtin, however, was willing to entertain the proposal. He referred to the resolution of the Labour Party, at the time of the formation of the Advisory War Council, promising the fullest cooperation with the Government in the prosecution of Australia's war effort. He observed that the Council had not been satisfied regarding the representation of Australian interests in London, as there was a lack of recognition in those quarters of the vulnerability of Australia. There appeared to be an inability on the part of the United Kingdom Ministers, which might be quite reasonable from their angle, to see the war through Australian eyes. Constant pressure was necessary therefore to ensure that Australian interests were safeguarded. If the Government decided that the Prime Minister should proceed abroad, he was agreeable, if such a course were practicable. An Imperial Conference, however, was necessary first to decide that Dominion representation in the United Kingdom War Cabinet was required. As mentioned by the Prime Minister, discussions were proceeding between Churchill and Roosevelt. Measures to provide for the adequate defence of British interests in the Pacific were necessary and radical changes affecting Australia were at stake. The paramount consideration in his viewpoint was the safety of Australia and this separated the conduct of the war from every other consideration in the political sphere.

The minute continues:

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[2] *Age* (Melbourne), 14 Aug 1941.

[3] Advisory War Council Minute 466.

[4] Advisory War Council Minute 466.

Dr Evatt did not agree with this view and said that other considerations should not be separated. There was a possibility that such changes in the community might be brought by the policy for the prosecution of the war that the results produced could be quite inconsistent with the purposes for which the war was being waged.

The record of the discussion reveals two points of view in the Opposition. Between Curtin, who stood alone on the one hand, and Evatt, supported by Makin and Forde on the other, there was a dramatic difference in ambition. When the Prime Minister made a case that the Dominion view relating to the conduct of the war should be pressed with vigour in London and that to this end he should be able to go to London as Prime Minister, the observation of Evatt was that Menzies was trying to go away "on the condition that he should not be deposed", while Curtin observed that the appearance of a united country was necessary for the sake of its influence on both Japan and the United States. Curtin agreed that the Prime Minister's primary duty required his presence in Australia but added that he should go to London for the purpose of establishing Australian representation in the War Cabinet. The brief record also paraphrases Curtin's remarks as follows:

It was important that the political background of confusion should be removed. The passing of the Supply Bill at the next meeting of Parliament would enable this to be done over a period of the next few vital weeks.

This statement might fairly be interpreted to mean that Curtin was ready to assume that the Menzies Government could hold together and that, with the major obstacles of the parliamentary session removed, Menzies could go to London on his mission to obtain a fuller voice for Australia in the conduct of the war to ensure that national safety was not endangered by lack of knowledge or understanding of the position of Australia.

Evatt, however, said flatly that "he was not prepared to act on the assumption that the present Government would continue for the duration of the war". The minute concludes:

Mr Curtin said that he did not favour an early election as public opinion was fully reflected in Parliament. The Treasurer (Mr Fadden) said that the present position was an intolerable one for the Government and Dr Evatt added that it was equally so for the Opposition.[5]

It was now known that Parliament was to meet on the 20th and, in the intervening few days, both Forde and Evatt made further statements fostering the idea that the primary object in proposing that Menzies should go to London was, in Evatt's words, "to hinder effective opposition to the present Ministry during the intervening absence abroad of the head of that Ministry". Both urged that it was time for the Labour Party to take over the government.[6] Among attendant matters which became the subject of public discussion was the suggestion that some Labour members were using the differences of view taken by Curtin on the proposed trip to

[5] Advisory War Council Minute 467, 14 Aug 1941.

[6] *Age* (Melbourne), 16 Aug and 19 Aug 1941.

London for the purpose of pulling down Curtin from the leadership of the party.[7]

Parliament met on the 20th August. In a statement on international affairs, Menzies formally announced the declaration of the Atlantic Charter, by which, he said, the United States and Great Britain had entered into "a great moral partnership by which they make themselves in substance the joint champions of that way of life for which we in Australia stand". He then surveyed the international scene. The situation in the Middle East had become more stable after the victory in Syria and the successful defence of Tobruk. The Russian campaign was nine weeks old and, although the outcome was still not certain, the German timetable and strategy had been seriously deranged. R.A.F. raids on Germany were increasing. In the Far East the military occupation of Indo-China by Japan had been met by economic counter-measures by Britain and America. Japan had now entered new discussions.

The Prime Minister continued:

> My colleagues in the Cabinet have, as a result of recent discussions, asked me to pay another visit to London. Having regard to the balance of parties in Parliament, I have indicated that it would not be practicable for me to go abroad at present except with the approval of all parties. Therefore I propose to ask honorable members to attend party meetings at which the proposal can be discussed . . . . The events in Russia and the Middle East may well affect the whole strategy of the Middle Eastern zone; the occupation of French Indo-China, coupled with the subsequent discussions between Japan and Thailand are clearly of first-class importance to Singapore and Australia to say nothing of the Netherlands East Indies. Both matters, taken together, raise questions as to the disposition, maintenance and equipment of Australian overseas armies. The meeting between the Prime Minister and the President has opened up a new vista of British-American collaboration, not only in the field of military supply but also in the economic field generally. In all these matters it is, in the opinion of my colleagues and myself, of great importance that Australia's voice should be directly heard in the place in which the major decisions are inevitably made . . . . The best results for the British Empire as a whole will be achieved by having matters of high war policy which concern any particular Dominion discussed freely and frankly at the right place by an authoritative spokesman of that Dominion.

Menzies argued that, although a Dominion Prime Minister would be welcome as of courtesy at meetings of the British War Cabinet, it was not possible for a Dominion to nominate any Minister at will to occupy a seat in the British War Cabinet, and for a Minister to go to London to discuss war policy but not to be a member of the War Cabinet would merely be duplicating the work of the High Commissioner. He proposed to hold a private meeting of Parliament to continue the discussion.

Rosevear, Ward and Evatt at once showed their mood by opposing the proposal to suspend the recording of debates and they did so in a way that made it look like a tactical skirmish, but Curtin checked them sharply. Over four hours of unrecorded discussion followed before the House rose. On the following day the debate in both the Senate and the House of Representatives showed Labour's outright opposition to allowing

[7] *Age* (Melbourne), 15 Aug 1941.

the Prime Minister to go abroad with any sort of understanding from the Opposition and also the adoption of a uniform Labour argument that his wish to do so was only a political dodge. In the interval between the sittings, the parliamentary Labour Party had made and agreed to a declaration which Curtin presented on their behalf, in a moderate and temperate speech, in which he kept strictly to the question of the war situation and the danger to Australia. Although it was necessary for the Prime Minister to stay in Australia, he said, none the less Australia was entitled to have its view constantly placed before the British War Cabinet.

The Party's declaration read as follows:

(1) That having regard to the gravity of the war as it affects the Commonwealth, it is essential for Australia to have its Prime Minister here to direct the administration in the organisation of a total war effort, and therefore we are opposed to the present proposal that the Prime Minister, Mr Menzies, should proceed to London as Prime Minister.

(2) That arrangements be made with the British Government for representation for the Commonwealth Government in England so as to ensure that its point of view in respect of war policy will be constantly before the British War Cabinet.[8]

The lofty tone of Curtin's contribution was not echoed by the majority of his supporters. Forde spoke mainly on what he described as "U.A.P. intrigues" and said that the proposal to send Menzies to London was a move by party members to get Menzies out of the way so that he might be displaced from office, partly because of his own ambition for leadership and because they considered him a political liability. The move was "a most shameful exploitation of the international situation in order to extricate the Government from political difficulties and enable it to unload, on the other side of the world, a man whom it regards as an unpopular leader". Evatt said: "The Government cannot expect, even at a time like this, to enjoy indefinite immunity when so many matters not directly related to the war have to be decided, including taxation measures which will distribute the burden of the war among various sections of the public. We shall not accept every proposal of the Government for an indefinite period ahead and that is another reason why we think that the Prime Minister should remain in Australia".

In the Senate, Collings said: "The plan to transfer the Prime Minister to London is not clever. It is not half so subtle as was the plea for a National Government". Ward, commenting more particularly on the references Menzies had made to the new order contained in the Atlantic Charter, revealed some of the hope behind the urgent demand for office from the left wing of the party. "There is only one new order acceptable to the workers which can and will supplant the present order," he said, "and that is the social ownership and control of production, distribution and exchange." In the Senate a fuller exposition of Socialist hopes and plans was given by Senator Cameron.[9] The debate was adjourned but it

[8] *Commonwealth Debates*, Vol 168, pp. 77 and 78.

[9] *Commonwealth Debates*, Vol 168, pp. 98 and 99, and pp. 50 and 51.

had been made clear that the Prime Minister could not hope for any truce, however brief, to enable him to visit London.

On the 21st a Supply Bill to grant Supply for two months to the end of October was introduced, and an assurance that it would not be obstructed was given by Curtin on the understanding that the adjournment of Parliament would last not longer than three weeks and that the House would then deal with the Budget.

While the House was sitting and after the rejection of the proposal that he should go to London, Menzies made an offer to the Labour Party on 22nd August to form an all-party Government in which the Labour Party and the non-Labourites should divide the portfolios equally. He said that, if required, he was prepared to serve under Curtin or any other person selected as Prime Minister.

This offer was discussed at some length at a meeting of the executive of the parliamentary Labour Party on the morning and again in the early afternoon of the 26th August and, in the interval between the two meetings, a further talk took place between Menzies and Curtin. The meeting of the parliamentary Labour Party in the afternoon was brief and, without dissent, a recommendation of the party executive rejecting the offer was readily approved. The letter sent in reply to Menzies by Curtin claimed that there had been no departure by the Opposition from the guiding principles worked out in October 1940, to ensure stability of Parliament and that there had been close cooperation between Government and the Opposition in the organisation of the war effort. "Such stability as the country now lacks," Curtin continued, "as compared with what was the position prior to your return from London, can have no other explanation than the dissensions which have emerged between your Government and certain of its nominal supporters. This position would not be changed by any reconstruction of the Government. I would point out that the present position is not attributable in any way to any departure on the part of the Opposition from the basic resolution of last October, the full text of which you quoted in your statement intimating the Government's acceptance of the proposal to establish an Advisory War Council. It is not the War Council nor the Opposition which has made difficulties for the Government. These, as I have said, arise within the Government parties." Curtin then went on to claim that the people of Australia would be more satisfied if the Australian war effort were directed by the Labour Government and said that his party "confidently and reasonably" expected that a Labour Government would receive the grateful and constructive cooperation of the U.A.P. and U.C.P. Labour still opposed an all-party government because it believed that its formation would stifle honest patriotic criticism. Curtin concluded with four points:

(1) I agree that a workable Parliament is essential for the prosecution of the war. The Opposition has provided this.

(2) Your letter indicates that you are not now able, as Prime Minister, to give Australia stable government.

(3) I disagree with your assertion that a Government led by myself will not be able to secure a workable Parliament and political stability. I feel I have the right, having regard to the interests of the Nation, to expect in Parliament the same measure of cooperation in respect to the prosecution of the war as the Labour Party has unswervingly given.

(4) I consider that in the first instance, in view of your statement that you cannot secure political stability and a workable Parliament, you should return your Commission to the Governor-General and advise him of the purport of this communication.

The terms of this reply were clear enough but, according to the contemporary press reports, the discussion of it in Cabinet was prolonged because some Ministers professed to find in it a ground for believing that if the U.A.P.-Country Party Ministry were reconstructed to replace Menzies by any other member, the Labour attitude might be different. When Press representatives questioned the Labour leaders on this point, however, it was made quite clear, even if the letter did not make it clear, that the question of personalities in the Cabinet did not affect the Labour attitude. Mr Fadden or any other member of the Government would be no more acceptable to them as Prime Minister than would be Mr Menzies. From subsequent conversations with those concerned, it would appear indeed that among the senior members of the party, particularly Curtin, Menzies enjoyed far more respect than any of his colleagues, in spite of the public campaign against his reputation which was being conducted by the left wing of Labour.

At this stage it would appear that whatever hope remained for the Coalition Government to pull the situation together was for ever destroyed by the weakness and confusion which crept into the Cabinet itself. When the clear rejection of any form of all-party government was made by Labour and when its own right to resume office was asserted, there was only one possible course by which the Government could have saved itself. That was to prove its solidarity and its capacity to carry on the government of the country. To that end it would be necessary to sink differences, to end internal dissension and to submerge personal ambition. The Government had not yet lost its numbers in Parliament and might yet have re-established itself. At this point, however, the dissident elements in the party, pursuing their course against their leader, persisted in pulling the party to pieces. The incident throws a curious light on the conventions of party government in Australia. The traditional expectation would have been that, if there were any members of the Cabinet who felt themselves unable to continue to serve under Menzies, they would place their portfolios in his hands and give him the opportunity to find other members of the party willing to serve. If the party had lost confidence in him as its leader, the traditional expectation would have been that a party meeting would be called and a vote taken on the question of leadership of the party. In fact, however, in the Cabinet, as in public, those who disliked Menzies chose the method of working to force his resignation. It is difficult to see the issue henceforward otherwise than as a series of personal campaigns

pursued with little regard for the interests of the party and, because the party was the basis of Government, of the nation at large.

After receiving the reply from Curtin, the Cabinet discussed the situation until late on the night of the 26th. On the following morning a joint meeting of the U.A.P. and U.C.P. was held and Cabinet decisions communicated to them. The Government should meet the House of Representatives on that day with Menzies still as Prime Minister, but outside the party room it was soon understood in the corridors and lobbies of Parliament House that this was not a firm resolution to maintain the Government but a temporary arrangement.

On the same day Menzies replied to Curtin with an outward show of firmness, expressing regret that his offer of an all-party government had not been accepted and pointing out that the Ministerial strength was still 37 against 36 in the Labour Party, and hence there was less prospect of stability in Labour than in the Government. The Government therefore did not propose to accentuate the political uncertainties from which the country was suffering by handing over the government to the Labour Party.

The Labour Party at that stage found it tactically unwise to force an immediate change. They were still unsure whether the Independents would withdraw their support from the Government and there was also the risk of popular disfavour if they obstructed the wartime Government. They could also afford to wait. Therefore the impetuous minority was restrained. The Opposition permitted the Supply Bill to pass on the evening of the 27th and on the evening of the 28th Parliament adjourned without further incident, having the assurance previously given by the Government that it would meet again within three weeks to receive the Budget. On the motion for the adjournment Menzies briefly announced that, in view of the continued importance of matters that required special consultation with the Government of the United Kingdom, the Government had decided that a Minister, other than the Prime Minister, should be sent to London as soon as practicable.

After the rising of the House, on the late afternoon of the 28th, there was a further meeting of Cabinet. Towards the end of this meeting the Country Party Ministers withdrew and the Prime Minister was left with his colleagues from his own party. A little after 9 p.m. he met the members of the U.A.P. and informed them of his intention to resign to give them the opportunity to select another Prime Minister. At 10.30 p.m. the members of the Country Party joined members of the U.A.P. in a joint meeting and, at the close of that meeting, which lasted a little less than an hour, it was publicly announced that Menzies had resigned and that Fadden had been chosen as his successor.

Late on the night of the 28th Menzies made the following statement:

> In my recent offer to the Opposition I indicated that to secure an all-party administration I was prepared to vacate the Prime Ministership. The offer was rejected. It follows that the next task is to get the greatest possible stability and cohesion on the Government side of the House.

A frank discussion with my colleagues in the Cabinet has shown that, while they have personal goodwill toward me, many of them feel that I am unpopular with large sections of the press and the people; that this unpopularity handicaps the effectiveness of the Government by giving rise to misrepresentation and misunderstanding of its activities; and that there are divisions of opinion in the Government parties themselves which would not or might not exist under another leader.

It is not for me to be the judge of these matters, except to this extent, that I do believe that my relinquishing of the leadership will offer real prospects of unity in the ranks of the Government parties. In these circumstances, and having regard to the grave emergencies of war, my own feelings must be set aside.

I therefore invited the two parties to select another leader. They have unanimously chosen Mr Fadden. Accordingly tomorrow I shall resign the Prime Ministership, and advise His Excellency to commission Mr Fadden.

The only stipulation I made was this that every man in both parties must be prepared to give his whole-hearted support, as I shall, to the new leader. This was accepted with one accord. But for it my own resignation would have been futile, and the vital interests of our country would not have been faithfully served.

I am prepared to set an example in this matter of loyal service by accepting Cabinet office under Mr Fadden if he so desires. I earnestly hope that my present action may help to enable the Government to be carried on without discord at a time when the nation urgently needs harmony in its own ranks.

I lay down the Prime Ministership with natural regret. For years I have given of my best to the service of the country, and especially during the two years of war. Foundations have been laid and a national effort achieved in which I hope I shall be permitted to take a proper pride.

Menzies had emerged from the Party room outwardly cheerful and he made his statement with good grace and self-possession. He talked good humouredly with the waiting journalists and photographers showing neither rancour nor bitterness.

Other actors in the scene, however, revealed something of the feeling which had entered into the discussions in the party room. Coles, the Independent, who was now attending party meetings, had walked out of the U.A.P. meeting and retired to his hotel room in apparent disgust. Later he said to the Press: "Mr Menzies has been offered as Australia's scapegoat on the altar of political ambition, under the coercion of constantly applied pressure. I witnessed a lynching organised by mass hysteria. It was something so unclean that it will never be erased from my memory—it was nothing but a public lynching". On another occasion he spoke of the crisis as one of "political blackmail", and, from most of the comment made in public about what had happened in private, it would appear that behind the scenes momentous decisions affecting the nation were made subordinate to attempts to bargain and wrangle over place.

The accounts of the meetings pieced together by various correspondents all agree that Menzies first announced his intention to resign at the beginning of the meeting of Cabinet, and that some attempt was made by Harrison, supported by some other Ministers, to dissuade him but that he persisted on his chosen course. Following the Cabinet meeting, as soon as all members of the U.A.P. had gathered, Menzies again announced his decision. At a later stage of the meeting he declined to accede to a request made by some of his supporters that he would submit his name for re-election at the joint party meeting. From all accounts, the U.A.P.

meeting was marked by considerable recrimination among members. At the joint meeting of the Government parties, Hutchinson moved and Marr seconded the proposal that Fadden be elected as successor to the Prime Minister. There was no other proposal and Fadden was unanimously elected.

All press accounts reveal considerable respect for the demeanour of Menzies and the loftiness and impersonality of his participation in the proceedings at a time when his own personal reputation and his own political career were chiefly under attack. One U.A.P. member was quoted as describing it as "his greatest hour since he entered Federal politics". Another adapted Shakespeare to say that nothing in his career as Prime Minister became him better than his manner of leaving it.[1]

A political commentator reviewing the whole situation and criticising the way in which Menzies had handled it since his return from London, said: "Refusing to stoop gave him dignity; it lost him the Prime Ministership".[2] Newspaper editorials found many of the party manoeuvres contemptible. "By certain localities, interests and individuals, Mr Menzies' leadership has been the object of an hostility which, far from having any intellectual political bias, has never been more than a species of personal vendetta . . . . Amid all the manoeuvring to obtain Ministerial position or to wreak political spite, certain groups in the Government Party, and mischievous influences outside it, are in danger of becoming forgetful of the wider obligations they owe to the Australian people."[3]

The U.A.P. had temporarily wrecked itself. It had also set the course for the inevitable downfall of the non-Labour coalition Government.

2—THE FADDEN GOVERNMENT

On 29th August, Menzies returned his commission to the Governor-General and Fadden was commissioned to form a Ministry. The new Prime Minister retained his former office of Treasurer and Menzies was appointed Minister for Defence Coordination. No other change was made in the portfolios held by Ministers. There was thus point in Curtin's comment on the following day that the resignation of Menzies and the formation of the Fadden Ministry was only "a face-lifting device". Fadden said in a public statement that he had not sought the arrangement but had been asked to accept it by the U.A.P. "It will be my earnest endeavour," he said, "to do my best in the interests of the people of Australia and the nation as a whole. My predecessor did everything in his power to achieve that degree of unity which, I feel sure, every Australian will agree is so vital to the effective prosecution of the war. Now that I have been entrusted with the task of administering the affairs of a nation at war, I will do everything in my power to bring home to Parliament and the people a realisation of the urgent need to close our ranks. To that end I ask every-

[1] *Herald* (Melbourne), 29 Aug 1941.
[2] *Daily Telegraph* (Sydney), 1 Sep 1941.
[3] *Age* (Melbourne), 28 Aug 1941.

one in the community to give me full cooperation in the task which lies ahead."

The new Prime Minister brought to his task a personal popularity and the reputation he had established for friendly relations with all and sundry during the time he had been Acting Prime Minister while Menzies was abroad. He now found himself, however, facing an entirely different situation to that which he had faced as acting Prime Minister. It was apparent that Labour was preparing to make a challenge to the Government and the Government was under an obligation to bring down its Budget almost immediately. Temporarily his own supporters appeared to be more closely united than they had been under Menzies, but it would be vain to hope that those who had been disappointed for place by Menzies would endure more placidly disappointments inflicted by another hand. The two Independents, Coles and Wilson, were less certain than they had ever been. Coles was openly disgusted. Wilson had repeatedly shown the drift of his mind in the direction of Labour and it was common knowledge that Labour members, and Evatt in particular, had been working most assiduously on his opinions.

Wilson at this time echoed a good deal of common opinion honestly but unimaginatively held by people in Australia regarding the war effort. In the debate on the Supply Bill, for example, he had shown that the sort of questions foremost in his mind were the dangers of restricting grain production, the injustice to primary producers of the increased price of superphosphate, the need to restrain Australian newspapers from making attacks on Japan for fear they were provocative, the hardships caused by petrol rationing, the need for a scheme for long-term finance for farmers, and the eventual establishment of a mortgage bank with the declaration in the meantime of a moratorium on debts, an ingrained dislike of the banks, and the belief that the farmers were being "squeezed off the land by the rapacity of the financial institutions", the arguments in favour of the decentralisation of war industries, the belief that there was a lot of profiteering, advocacy of the establishment of power alcohol distilleries in wheat areas, concern over rising prices. During the Supply Bill debate it had momentarily seemed that he was encouraging the Opposition, for at one point he said: "The people are saying to me, 'You hold the balance of power in the House; what are you doing about it?' My reply is that the statement that I hold the balance of power is based on an illusion. Unless there is a challenge, there is no balance of power and there has been no challenge so far".[4]

After the fall of Menzies, Wilson made a press statement to the effect that a national government could achieve desirable stability but, as this was not possible, an election was the only move left. He emphasised that this did not mean that he wanted to precipitate an election. He would wait and see what the policy of the new Government was before he decided to give it his support: "I hope the new Government will make it possible for

[4] *Commonwealth Debates*, Vol 168, p. 201.

me to support it by implementing a vigorous war policy and comprehensive relief to rural areas based on a general plan of decentralisation of industries", he said. "It will be interesting to observe whether the Government will make any advance toward meeting the growing demand for a sound financial policy to save the nation from unnecessary debt and taxation. By sound financial policy, I mean more use should be made of national credit." When asked whether his support for the Government was conditional on the introduction of such measures, Wilson added: "The only implication to be drawn is that I am giving them no guarantees".

Labour was in the happy position of being able to contrast its unity and strength with the evidence of dissension on the Government side. In a statement on 2nd September Curtin defined the Labour attitude as follows: "We will govern when we are given a mandate by the people to do so. If disagreement and dissension among our political opponents, or ill-conceived policies on their part result in a call being made to Labour, then we are ready to govern". Behind the cautiousness of Curtin other members of his party were eager to improve the chances which the situation presented.

While the Budget was being prepared, an extraneous development, which became known as the Winkler Case, gave left wing Labour opportunity for further discrediting the reputation of the Government. Eventually, the main features of the case, although not all its features, were made the subject of inquiry and report by a Royal Commission, but until it had moved slowly to that conclusion, there had been, both inside Parliament and outside Parliament, a great deal of discussion and a certain political misuse of the material of such a character as to affect the general reputation of the Fadden Ministry and its supporters.[5]

Parliament met again on 17th September. The opening days were tense but uneventful. Fadden formally announced the formation of his Ministry, and also informed Parliament that the Minister for Commerce, Sir Earle Page, would go to London at an early date "to discuss with the United Kingdom Government vital war matters of common interest". In answer to questions he said that Page was "not going to London to become a Member of the Imperial War Cabinet. He is going in pursuance of a decision of this House that a Minister should be sent to London to inquire into many vital matters which closely affect the welfare of this country".[6]

In the Senate, the Minister for Repatriation, Senator Collett, made a statement describing what the Government had done and would do for the repatriation of soldiers, outlining the progress made in planning for post-war reconstruction and schemes for training and employment and war service homes.[7]

In the House of Representatives, the Minister for External Affairs, Stewart, made a statement on international affairs surveying developments in recent months. In the Far East, in the last few weeks, he said, there

[5] See Appendix 9, "The Winkler Case".
[6] *Commonwealth Debates*, Vol 168, pp. 293-94.
[7] *Commonwealth Debates*, Vol 168, pp. 269-279.

had been a lull attributable largely to the firmness of Britain and the United States over the Japanese incursion into Indo-China. The result of the strict application of the freezing orders had been "a very noticeable hesitation" on the part of the Japanese Government and a partial relaxation of the strong pressure which was being brought to bear on Thailand—pressure which at one stage had led the Commonwealth Government to think that the Japanese were about to embark on a further southward advance. He noted the possible effects on Japanese policy of the continued Russian resistance to Germany, the opening of Japanese-American conversations in Washington, the firmness of the Netherlands East Indies, signs of greater independence in Thailand, and the fact that the Burma Road supply line to China was still open. The underlying causes of uneasiness in the Far East remained. The situation was one of continued suspense. None the less there had been a pause in a trend of events which a short time ago had appeared to be leading to a dangerous climax and advantage had been taken of this pause to engage the Japanese Government in parleys. There was ground for "some modified encouragement" and for hope that "the traditional prudence of Japanese policy will still reassert itself, and that the door to some eventual settlement, which will respect the rights and interests of all peoples in the Far East, has not yet been irrevocably closed". Australia gladly recognised and accepted the clear and encouraging initiative of the United States. Australia's own ideas were becoming better defined, he said, and closer relationships were being established with neighbouring countries. He welcomed a newly-appointed American Minister, Nelson T. Johnson,[8] and the first Chinese Minister, Dr Hsu Mo,[9] to Australia and informed the House that, to increase the effectiveness of Australia's voice in Pacific affairs, and to enlarge the means of direct contact with her neighbours, the Government had appointed an official representative at Singapore and was negotiating with the Netherlands Government for official Australian representation in the Netherlands East Indies.

The Prime Minister added some general observations, speaking principally of the importance of economic aid to Russia, of the growth of cooperation between the British Commonwealth and the United States of America in the Atlantic and in the Far East, and of the fullest consultation between the Governments of the British Commonwealth concerned in the Far East. He welcomed the recent arrival at Singapore of Mr Duff Cooper,[1] a member of the United Kingdom Government, "to help in the coordination of Imperial policy and to facilitate exchanges of views between the relevant authorities". Australia would gladly cooperate and the Government had formally invited Mr Duff Cooper to visit the Commonwealth as soon

[8] Nelson T. Johnson. American Ambassador to China 1935-40; American Minister to Australia 1941-46. B. Washington, D.C., U.S.A., 3 Apr 1887.

[9] Hsu Mo. Political Vice-Min for For Affrs 1932-41; Chinese Minister to Aust 1941-45. B. Soochow, China, Oct 1893.

[1] Rt Hon Viscount Norwich, GCMG, DSO. First Lord of the Admiralty 1937-38; Min of Information 1940-41. B. 1890. Died 1 Jan 1954.

as possible after he had established himself at his Singapore headquarters.[2]

A Raw Cotton Bounty Bill was introduced and the debate on the Report of a Committee of Inquiry on Power Alcohol was resumed. At question time on the 17th and 18th there was some sniping at Fadden by Ward, Calwell, Falstein[3] and others. Rosevear dissected the report of the Royal Commission on the Abbco contracts[4] and asked what the Government was going to do about it.

There was, however, little to discommode the Government until on the second day, Thursday the 18th, Fadden proposed a special adjournment until the following Wednesday to allow the Government to get on with the preparation of the Budget. Previously Curtin had asked a discreet question regarding a matter "in relation to public administration" which he had submitted to the Prime Minister and had been told that an investigation was being made.[5] On the debate on the adjournment on the 18th he asked what course the Government had decided upon in order to enable the House to determine the propriety of the payment of government funds to a person or persons not approved by Parliament. The Prime Minister said that as the question related to the use of certain limited funds for purposes connected with action against subversive elements it did not lend itself to public debate particularly in wartime. He was prepared to put full particulars before the members of the Advisory War Council at its next meeting "so that the responsible leaders of both sides of the House may be in a position to know and appreciate the facts". Ward was waiting to pounce. These things should be brought into the light of day, he said. From what he could gather the money had been paid to certain persons "to corrupt them so that they will support the Government's crooked policy". He spoke of "bribery" and "shady dealings" and of the "fact which had been forced into the light of day" that the Government had "created a secret fund from which secret payments are made to undisclosed persons for purposes that have not been revealed to Parliament". He challenged the Prime Minister not to go away and whisper in corners to selected individuals but to have an open discussion.

For a time it looked as though the scare might lapse, other members passing to talk on other matters in a way that suggests that Ward's intervention was not a planned attack, but other Opposition members—Pollard, Calwell and Falstein—kept nagging on the subject in the course of the hour and a half during which the adjournment debate wandered from

[2] *Commonwealth Debates*, Vol 168, pp. 297-305.

[3] S. M. Falstein. MHR 1940-49. Barrister; b. Coff's Harbour, NSW, 1914.

[4] In June 1940 Abbco had been convicted under the *New South Wales Bread Act* of supplying lightweight bread to the army. Later, after another contractor, White, had been unable to maintain deliveries, a further contract was given to Abbco. This led to allegations in press and Parliament of maladministration in the Department of the Army. A Royal Commissioner, Mr Justice Maxwell, was appointed to investigate on 28th March 1941, and reached the conclusion that the steps taken in giving Abbco the second contract were entirely proper in the exceptional circumstances and in accord with regular procedure. There was inadequate investigation into the company's record by the District Contract Board but there was no reason to suggest that this inadequacy resulted in any loss to the army or to the Commonwealth. In pursuance of the Commissioner's findings, the "scandal" which had been much magnified in public was corrected by slight adjustments in administrative routine, the disrating of a lieutenant and the dismissal of a sergeant, both of whom had been negligent in varying degrees. This action was subsequently accepted as sufficient by the Curtin Government.

[5] *Commonwealth Debates*, Vol 168, p. 287.

topic to topic, and finally Holloway took control for the "moderates". The question had first been raised privately by the Leader of the Opposition with the leaders of the parties supporting the Government "in an honest, decent and restrained way". It had now been raised publicly in the House. He disagreed with some of his colleagues who said that the matter should be settled that night but he asked that a full inquiry be made and that all the facts be placed before Parliament. It was not the function of the Advisory War Council to deal with matters of that kind. He recognised that the Prime Minister could not present all the facts that might be asked for but he wanted an undertaking that the House would be taken into his confidence.[6]

The Government remained silent and the motion for adjournment was immediately put and opposed by the Opposition. In the division, which was carried by 31 to 28, Coles and Wilson voted with the Government. The Winkler case flared into headlines over the week-end.

When the House resumed on the 24th, Fadden made a statement on the use of special funds for security purposes and, to allow debate, moved that it be printed. He concluded his statement by saying that although public interest had been fully protected by the scrutiny of the whole transactions by both the Crown Law authorities and the Auditor-General, the Government was ready to appoint a Royal Commission to investigate the matter should Parliament so desire. Curtin presented an amendment to add to the motion for printing the statement the words "and this House disapproves of the wrong use of the fund established in February 1940 for a special purpose".

The debate, which revealed in turns both the balance and responsibility which can distinguish an Australian parliament and the mud-slinging which can disfigure it, began shortly after 3 o'clock in the afternoon and the vote on Curtin's amendment was taken after 3 o'clock on the following morning. The voting was 31 for and 32 against. Coles and Wilson had stayed with the Government.

When the House met on the afternoon of the 25th Curtin asked for the appointment of a Royal Commission, as promised by the Prime Minister, and Fadden immediately agreed and invited Curtin to confer with him on the terms of reference. Ward found further occasion to repeat an innuendo that telephone calls discussing the Budget had been made from Canberra to a stock-broking firm, of which he suggested Menzies had previously been a director, and McCall repeated the further innuendo that the Winkler episode had been part of a plot to overthrow Fadden.[7] When, later on the afternoon of the 25th, Fadden introduced his Budget, on which it was anticipated that the trial of political strength would eventually be made, the political weather was already becoming dirtier.

The Fadden Budget for the financial year 1941-42 was for £322,000,000. It proposed a war expenditure of £217,000,000 compared

[6] *Commonwealth Debates*, Vol 168, pp. 400-412.

[7] *Commonwealth Debates*, Vol 168, pp. 556-557. See also statement by Menzies, pp. 582-584.

with £170,000,000 in 1940-41. Budgeting now had some relation to actual performance, for the war expenditure in 1940-41 was only £16,000,000 below the budget estimate and the actual gross expenditure, before the deduction of expenditure on work and supplies for other governments which was recovered during the financial year, was only £5,000,000 below the estimate. Thus, when Fadden said that his estimate of war expenditure was a conservative one he presented a real prospect that, with an accelerating war effort, the estimate might on this occasion be exceeded. In addition, the war work in 1941-42 on behalf of other governments was estimated at £55,000,000 of which £49,000,000 would be recovered during the year. Australian overseas war expenditure would be £57,000,000. Thus the truer picture of the increased demands on Australian war productive capacity was given by comparing the estimated gross expenditure in Australia of £209,000,000 on the war with an expenditure of £136,000,000 in 1940-41.

The increase in the estimate of war expenditure, apart from increased war activities was to include £6,000,000 to give higher rates of pay and allowances to members of the forces, to expand the munitions workers' housing scheme which the Government had already inaugurated, to undertake merchant shipbuilding in Australia and to develop substitute fuels, including power alcohol.

The expenditure on services other than war was estimated to be £102,306,000, an increase of £16,915,000 on the actual expenditure of the previous year. This increase was due largely to the child endowment scheme which had been initiated by the Menzies Government in the previous July (£13,000,000), increases in invalid and old-age pensions and assistance to primary producers in the form of provision of additional cold-storage and processing plants, an anticipated loss on the apple and pear acquisition scheme and a subsidy to reduce the price of superphosphates.

Expenditure on defence works and Loan Council works was estimated at £46,000,000 compared with £45,000,000 in the previous year, more than half of the total being for defence works. It was recognised that the carrying out of both defence and civil works would place a serious strain on the resources available as they had already been depleted by enlistments and transfers to other war work.

Looking at the broad economic problem the Government expected that the steady increase in economic activity would be reflected in a further rise in the national income perhaps to £1,000,000,000 compared with £925,000,000 in 1940-41 and £794,000,000 in the last pre-war year. Every effort should be made to mobilise all the available resources, so that this total could be pushed as high as the physical limits of labour, materials and equipment permitted. Fadden said that the Department of Labour and National Service and the newly-established Department of War Organisation were actively cooperating to ensure that the nation's resources should be employed to the utmost but, however effective their work, Australian capacity would be strained to achieve the output required. Further controls

would have to be applied in 1941-42 in order that 22 per cent of the national income, instead of 13 per cent, should be applied to war purposes. Furthermore the increase of incomes this year would be due not only to war production but also to the substantial surplus of export income over civil imports. This surplus, like the war expenditure, helped to swell incomes received in Australia without increasing the amount of goods available for civilian spending. For both these reasons there would be an excess of incomes over the goods and services available for purchase by the public. Spending must be adjusted to prevent rises in price. The Government must contemplate further increases of taxation, stronger appeals for private and public economy in all expenditure not necessary for the war and a stiffening and extending of the controls already instituted to reduce spending.

Fadden proposed to finance his total war expenditure of £217,000,000 as follows—Cash balances, £2,000,000; Budget at existing tax rates, £61,000,000; new taxation and wartime contribution, £32,000,000; and loans from the public and from the banking system, £122,000,000. The taxation proposals sought a direct contribution from incomes with the double purpose of raising revenue and reducing the spending power of every income. A novel feature was a proposal to assess a "national contribution" on every income in Australia (the exemption for a single man or woman being £100). From this national contribution would be assessed the Federal income tax payable in the current year and the State income tax paid in the previous year and the remainder, if any, would be collected as a loan bearing simple interest at 2 per cent and repayable after the war. Except for a considerable increase of the rate on higher incomes the average tax at each level of income would be about the same as under the existing scale. A small increase in company tax was to be made and 20 per cent of the yearly accretion in funds for depreciation or left as undistributed profits for the expansion of activities would be taken as loan. It was estimated that individuals would pay £3,000,000 more in tax and £20,000,000 in loan, and companies would pay £2,500,000 more in tax and £5,000,000 in loan, while a rise in postal charges would provide £1,500,000, making the total of £32,000,000.

An examination of departmental papers shows that among the considerations which shaped this proposal were (a) the need to curtail civil spending, (b) a search for a method of drawing off the "surplus" and leaving in the hands of the taxpayer the same proportion of a given income as before, (c) the desire to avoid the unpopularity of higher taxation, particularly in the low-income field, and (d) a search for a method of overcoming the difficulty caused by the fact that the State Premiers had rejected proposals for a temporary surrender by the States of the right to impose income tax in return for subsidies from the Federal Government. As regards the third point, about £560,000,000 out of a total of £800,000,000 of personal income was received in the income group of persons receiving under £400 a year, and only 3 per cent of this was being paid in income tax. As regards the fourth point, some States taxed more

highly than others and the Commonwealth Government was prevented by the Constitution from discriminating in taxation between the States and, therefore, the Commonwealth was obliged to leave untouched by taxation the reserves of income in the low-taxing States. The proposed building up of post-war credits was considered to be likely to have some value in assisting post-war recovery, although some economic advisers of the Government pointed to the danger of inflationary pressure from wartime savings.

Among the supplementary measures proposed was a requirement that trading banks should keep in a special deposit account with the Commonwealth Bank any increase of their funds due to war finance. Fadden also announced that he had received from the trading banks a firm undertaking, the text of which he gave to Parliament, that they would not make new advances or grant increases in existing advances except in accordance with the policy laid down by the Commonwealth Bank from time to time; before purchasing or subscribing to government or semi-government loans they would obtain the concurrence of the Commonwealth Bank; the trading banks would deposit with the Commonwealth Bank all their surplus investable funds at low rates of interest fixed by the Commonwealth Bank and in the total amount required by the Commonwealth Bank from the trading banks from time to time. They also agreed to supply the Commonwealth Bank with such certificates from the Commonwealth Commissioner of Taxation as would enable that bank to satisfy itself that the banks were honouring their undertaking not to make excess profits out of war conditions.

Other parts of the Budget speech referred to the Government's wartime control of profits through control of prices, the checking of munitions contracts and the taxation power and assured the House that the Government would not hesitate to take any further steps to prevent profiteering or to tax excess profits should they occur.[8]

At an early point in his speech Fadden had also announced the Government's intention to introduce, as soon as practicable, legislation to establish a mortgage bank—a project dear to Wilson's heart.

In conclusion, Fadden said that the war had entered a new stage and no limit could be set to the nation's effort to win it. Whatever the occasion demanded must be done. Developments in the ever-changing war situation must dominate financial plans and it could not be assumed that the financial plans for the year were finally determined in the Budget. The Government proposed to review the Budget within the next three months and make provision for any additional finance that might be required.

In Committee of Supply on 1st October Curtin launched his attack. He spoke solemnly and with an apparent sense of responsibility and of the gravity of the occasion. It is probable, though not certain, that the Opposi-

[8] A Parliamentary Committee on Prices and Profits was already inquiring into the subject. A proposal to levy an excess profits tax had been rejected in 1940 by an all-party committee. A wartime profits tax had also been opposed on technical administrative grounds by the Taxation Department and doubts raised concerning its probable effectiveness.

tion already had reason to believe that its challenge to the Government would succeed. Evatt was known to have talked with Wilson and, though Curtin and Chifley were reported to be extremely annoyed at the lack of restraint in their importunate colleague, the work had been done.

At the outset, Curtin presented the differences of opinion as a difference only on how best and most fairly to organise the nation so as to secure the greatest possible efficiency in the prosecution of the war. Whatever might take place in Parliament in that week would not in any way affect "the complete unity of the Australian people or the determination of this Parliament as a united body to prosecute the war to a successful conclusion".

His own speech did not live up to the loftiness of his opening paragraphs. Analysis or criticism of the principles of wartime finance on which the Budget was based were absent. His themes—more pay and allowances for soldiers and their dependants, no taxation of the lower income range, an attack on the national contribution proposal because of anticipated inequity in its application, and objection to the agreement with the trading banks, not because of its terms, but because he distrusted both the trading banks and the Commonwealth Bank, and the repetition of the slogan, "equality of sacrifice"—did not belong to a closely-reasoned examination of the organisation of the war effort but to a bid for popular support. He commenced to sum up:

> Boiled down, the basic differences between our views and those of the Government are that the Government does not treat the soldiers fairly; that it does not treat persons on the lower ranges of income fairly; and that it does not, having regard to the economics of Australia, treat the management of national credit in a truly national way—that, whereas we regard the budget as an accountancy of human values, the Government looks at it as an accountancy of material values. We do not object to the highest possible degree of taxation of all whom such taxation will not involve in any physical deprivation.[9]

Challenged by Spender to say what that phrase meant, Curtin added, "Let us say the greatest possible taxation of incomes of £500 or £600 or over".

He concluded that the right way to tackle Australia's economic problems was "on the basis of reasonable justice and equal opportunity for all". He moved to reduce the first item by £1—the conventional way of challenging the Budget and the Government—and added the following reason which the Speaker's ruling on a matter of parliamentary practice had prevented him from incorporating in his amendment as the Opposition had intended —"that while agreeing that the expenditure requisite for a maximum prosecution of the war should be provided by Parliament, the Committee is opposed to the unjust methods prescribed by the Budget, declares that they are contrary to true equality of sacrifice, and directs that the plan of the Budget should be recast to ensure a more equitable distribution of the national burden".

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[9] *Commonwealth Debates*, Vol 168, p. 616.

The phrasing of that prepared paragraph and the absence from Curtin's speech of any attempt to examine the basic problems of wartime finance presented by Fadden would, by themselves, suggest that the Budget was the opportunity and not the cause of the challenge. The question was not the methods of wartime finance but the political issue whether the Labour Opposition led by Curtin could give a more stable government than the U.C.P.-U.A.P. coalition led by Fadden.

When Fadden replied on the following day he pointed out that Curtin had not voiced one constructive criticism and had not attacked the fundamental principles on which the Budget had been prepared. But, though he reasserted that the people of Australia could not avoid the obligations which the Budget would impose, the Prime Minister spent most of his speech answering Curtin's particular criticisms and demonstrating the Government's regard for soldiers, primary producers and wage-earners.

Forde followed, promised that if Labour should take office there would be a quickening of "the defence tempo", chaffed Fadden for delivering an election speech, and proceeded to deliver one himself, promising that "when the Labour Party takes over the government" it would promptly establish a mortgage bank, as a department of the Commonwealth Bank, in order to assist primary producers with long-term loans at a minimum cost, and that it would set up "a rural reconstruction department in order to rehabilitate rural industries, in the meantime giving to primary producers ample protection against foreclosure". He spoke, too, of banking reform, aid for the wheat industry and changes in the Australian Wheat Board, Labour intentions to negotiate with the United Kingdom for a higher price for Australian wool, and decentralisation of war industries.

Throughout the afternoon the debate was one of political attack and counter-attack, with fighting speeches from McEwen for the Government and Beasley for the Opposition. After dinner the evening started drearily with some earnest economics from the new member for Corio, Dedman, and a sober appraisal of the Budget by Paterson,[1] and carried on without anything remarkable being said or done until progress was reported.

The House met again on Friday morning. Evatt wandered uneasily through the fields of finance and expatiated on the effects of the Government policy of building up post-war debts, but he came to a clear conclusion: "We have done our best to assist the Government. Many difficulties have been overcome by the Government, particularly by a few Ministers; but I say that a government led by the honorable member for Fremantle (Mr. Curtin) would wage war more energetically and more efficiently than the present administration is doing".

Spender started by bluntly dismissing the "pretence" that the discussion was based on the Budget; this was a definite attempt under the facade of a Budget debate to throw out the Government. He raised doubts about the capacity of Labour to govern and attacked the case they had made.

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[1] Hon T. Paterson. MHR 1922-43. Min for Markets and Migration 1926-28; Markets and Transport 1928-29; Interior 1934-37. B. England, 20 Nov 1882. Died 24 Jan 1952.

Ward raced for forty minutes through all manner of things discreditable to the Government and its members and Anthony followed on the theme of the more vigorous prosecution of the war. He was challenging the Opposition to declare its policy on wartime finance other than the taxation of higher incomes, when his time expired. An extension of time was moved by a colleague but Opposition voices were heard in dissent. The prospect at that moment was that the debate might go on for some hours at least before a vote was taken, although everyone knew that there were only two men in the House whose opinions might make a difference to events. Now one of them caught the Speaker's eye.

Coles, the member for Henty, rose at twenty minutes to three and a restless, bickering House became attentive. They had expected Wilson to make the decisive throw. Why was this other Independent coming in so unexpectedly at this stage?

Speaking quietly and steadily, Coles said that the proposal was really a motion of want of confidence in the ability of the Government to carry on. During the past month, in his opinion, the position in Parliament had steadily deteriorated and he had now come to the conclusion that the House of Representatives as at present constituted was unworkable. He had decided to vote against the Government on the amendment moved by the Leader of the Opposition. "This country must have stability of government," he said. "I am not concerned with the method to be adopted to achieve that end." He brushed aside an interjection calling attention to the Budget and went on: "Twelve months ago this Parliament was a workable institution. What has eventuated to make a responsible Opposition of thirty-six members adopt an attitude of absolute hostility to the Government on points which, a year ago, it was willing to cede? Nothing more or less than a loss of confidence in the Government's ability to carry on, and to wage the maximum war effort of which this country is capable. The reason for that lack of confidence is that this Government has proved that it has not the numbers necessary to enable it to exercise that strength of control in respect of the war effort which a Government should exercise". He spoke of the three possibilities that the Government might try to "muddle along with a minority government, with challenge and counter-challenge whenever it met", that it might go to the country, or that it might invite the Opposition to take office. He thought it might not be a bad idea to have an election. It might not be a bad idea if there was a "change of sides" in the House.

Coles went on to recount that when Menzies was "being removed" he had told those Ministers who had approached him that he "would not stand for it", and yet Fadden had informed the Governor-General that he could form a government with the support of a majority in the lower House. Coles had told Fadden frankly that he could not count on him as a Government supporter.

Fadden angrily interjected to the effect that Coles had tried to bargain for a place in the Cabinet. Coles, whose bearing was calm and unmoved, replied that the statement was a lie. His exact words to Fadden had been

that his support could not be counted on "unless I am satisfied with the policy of your government and the membership of your Cabinet. I am not seeking any preferment for myself". After glancing at the Budget he said his last words on the subject: "I desire to see responsible and stable government at this crucial time".

Later in the afternoon the member for Wimmera announced that he, too, would vote against the Budget and support the Leader of the Opposition. His reasons were different from those of the member for Henty. He had never had much enthusiasm for the policy of the Government. He objected to the methods by which the Government proposed to raise money for the war and liked the ideas of the Opposition. He admitted that he had been influenced to a great degree by the assurances given by the Leader of the Opposition and the Deputy-Leader with regard to rural policy.

To sum up (he said) I do not like the Government's financial policy. It envisages further debt, and in the natural course of events when the war is concluded, a contraction of finance is likely to occur as on a former occasion, and misery and suffering will follow. The people do not want those conditions. In order to avoid them Australia must have a government which will take appropriate action. For these reasons I shall support the amendment moved by the Leader of the Opposition. What the result will be, whether a general election will be held, or whether another government will take office without an appeal to the country, are matters upon which I cannot speak. The responsibility lies with the Governor-General. To me it is immaterial because, in view of the issue, I consider that a change must be made in order to ensure stable and safe government for the effective prosecution of the war, the post-war reconstruction of the country and the repatriation of soldiers. In the circumstances, let us ask the people to decide which party will govern the country.

Shortly after four o'clock Curtin's amendment was put and passed by 36 votes to 33, and the House immediately adjourned so that the Government could consider its position. Later in the day Fadden tendered his resignation to the Governor-General.

The vote of two Independents had overthrown a Government. At the time they spoke they were attacked and the little part they found for themselves in their nation's history was of such a kind that they laid their personal motives for ever open to be fingered by the inquisitive. To their credit they carried themselves with dignity in their little hour but, in history, the scene in which they played was far more important than either of them.

The situation reflected not only the minds of two individuals, but the state of Australian political life. It had arisen out of an indeterminate expression of opinion by the electorate. The unusual effectiveness of the voices of two unremarkable men was due to the uncertainties of the Australian people.

Coles and Wilson were in themselves a reflection of that uncertainty. They balanced each other. Coles had been returned as an Independent from a Melbourne suburban electorate which had customarily been a U.A.P. seat and which again became a U.A.P. seat after he left it, and his background and ideas were those customarily found in that party. It was

reported that he had previously been disappointed in not receiving a U.A.P. nomination on another occasion. Wilson, from an outer wheat-growing electorate, said himself that his sympathies had always been to a considerable degree with the Labour Party. Before and after entering Parliament the voice of Coles was that of one concerned in a direct way with a more intensive war effort—the voice of the business man impatient of obstacles, wanting a national all-party government, inclined to brush aside obstacles found in party politics, and wanting an opportunity to use his own talents. Wilson's voice was that of the farmers and others who remembered the depression, who distrusted financial institutions, who were concerned over "equality of sacrifices", who were counting the cost of the war step by step and tracing its effects on their own districts and on their own industry, who were concerned about the probable effects of the war as well as waging it. Their speeches before they voted showed clearly that Coles had been influenced by the shortcomings and the disunity of the Government and that Wilson had been influenced by the merits of the Opposition and in particular its persuasions about no hardship for lower income groups, benefits for rural industries, using "national credit" instead of taxation, and by its scare about another depression after the war. Neither of them showed a great political maturity but rather a naïveté, in the one case regarding the practices and conventions of party government and in the other case regarding the realities of wartime finance. Yet both showed an unqualified feeling for practical effects, in the case of Coles, to bring about a war effort in which he could share, and in the case of Wilson to bring a Budget that suited better the bit of Australian life which he could see; and in both, to give a prospect of more stable government. The reasons why the non-Labour Government fell have to be sought in a situation more comprehensive than the decisions made by Coles and Wilson on 3rd October but that situation finds its illustration in them. These reasons were the uncertainty of Australian political opinion in which the urgency of the war effort mingled with hesitation about method and doubt about the cost; the crumbling of the non-Labour parties which had commenced at least as early as 1938, and which had reached its fatal conclusion when Menzies gave up; the growth of strength, unity and purposefulness of the Labour Party in which was mingled the customary political ambition for power in order to carry out a political programme and a belief that Labour could unite the country in a war effort. It was not Coles or Wilson but the dissident groups that broke the non-Labour parties. Not they, but Curtin had lifted Labour to that state of unity and that level of public respect by which it could claim the right to govern.

The assurance of support for Curtin from Wilson and Coles left little uncertainty as to the course which the Governor-General would follow, and Curtin's position was made secure when the Speaker, Mr Nairn, a member of the U.A.P., consented to retain the Chair thus giving the Government the prospect of a clear majority on the floor. The defeated parties were not disposed to fight back.

3—LABOUR TAKES OFFICE

Fadden returned his commission on the evening of the 3rd October and on the same night the Governor-General sent for Curtin. Both leaders made public statements which reassured the people that the political crisis was already over.

"I am ready to form a government," said Curtin. "I am confident it will be a stable government and I know it will devote itself with singleness of purpose to what is the undoubted desire of the Australian people—concentration on the prosecution of the war, and the distribution of the inevitable burdens of war over the whole community. We will carry on the war whole-heartedly and with no inhibitions of any sort or description. I regard the war, as I have said on previous occasions, as involving to a much more substantial degree the basic interests of Labour more than those of any other section of this country."

Fadden said: "The parties which I lead will give to the new Government general support towards the implementation of a vigorous war effort".

Party meetings were held and, as customary, members of the new Cabinet were elected by the parliamentary Labour Party, all members of the party in both Houses being considered candidates, and it being left to the Prime Minister to allot portfolios among those chosen. As it was nearly ten years since a Labour Ministry had held office it had no large body of members with ministerial experience. Fifteen out of the nineteen Ministers chosen, including the Prime Minister himself, had never held office before. Those who had been serving with Curtin on the Advisory War Council—Forde, Makin, Evatt and Beasley—brought a certain familiarity with the matters handled by the War Cabinet. Chifley, elected to the third place in the team, had also had some direct contact with wartime administration prior to the 1940 election and, like Forde, Beasley and Holloway, had had brief ministerial experience during the Scullin Ministry of 1929-1932. He had added to that valuable experience as a member of the Royal Commission on Banking and Monetary Reform of 1935-37. For the rest, the Cabinet was made up of a mixture of parliamentary veterans of the Labour Party and comparative newcomers and, as usual, election for merit had been qualified by the customary attempts to afford representation in the Cabinet to all States and to various groups.

Most of the known strength was concentrated in the War Cabinet. Curtin himself took the portfolio of Defence Coordination and Forde became Minister for the Army, Chifley Treasurer, Evatt Attorney-General and Minister for External Affairs, Beasley Minister for Supply and Development, and Makin Minister for the Navy and Minister for Munitions. The third Service Minister was Drakeford, a former railwayman and trade union official who had been in the House since 1934 and who became Minister for Air and Civil Aviation.

Labour and National Service, with its responsibility for better industrial relations, was given to Ward who tackled its many problems with energy. Another chance was taken and a success made in allocating War Organisation of Industry, recently-formed and yet not fully organised, to Dedman,

who had revealed a distinct liking for making public ascents into the economic heights and who soon showed more practical gifts and an administrative diligence, resolution and tenacity that made him one of the most reliable and trusted members of the team.

Collings, a picturesque and lively-tongued veteran who had been Leader of the Opposition in the Senate since 1935, was made Minister for the Interior and Leader of the Government in the Senate. For the first time for many years the important peacetime portfolio of Trade and Customs was allotted to another Senator, R. V. Keane. The portfolio of Commerce went to Scully, one of the few farmer members of the party. Except for the strength of Chifley and the promise shown by Dedman the Cabinet did not look particularly robust on the economic side of administration.

Information was reduced in relative importance, being given with the Postmaster-General's Department to Ashley,[2] a Senator from New South Wales and formerly a tobacconist in a country town, who had not yet disclosed publicly the talents he was later to develop as a political manager. Social Services and Health went to Holloway, one of the senior members of the party enjoying considerable respect in Trades Hall and A.L.P. circles. Frost,[3] the Tasmanian member of the Cabinet, became Minister for Repatriation and Minister in charge of War Service Homes; and Senator Fraser,[4] the Western Australian member (other than Curtin) became Minister for External Territories and Minister assisting the Minister for Commerce. Lawson,[5] a Queensland member, was made Minister for Transport and Minister assisting the Minister for Commerce. Lazzarini,[6] who had been in Parliament with a break of one term since 1919, reached distinction for the first time as Minister for Home Security and Minister assisting the Treasurer. Senator Donald Cameron, a leading anti-conscriptionist of the 1914-18 war, was Minister for Aircraft Production and Minister assisting the Minister for Munitions. The party election had provided, apart from the Prime Minister, seven Ministers from New South Wales, five from Victoria, three from Queensland, and one each from South Australia, Western Australia and Tasmania.

The new Ministry met Parliament for the first time on the 8th. On the same day Fadden announced his election at a joint meeting of the U.A.P. and U.C.P. as Leader of the Opposition.

After the passage of a Loan Bill and Supply Bill, without opposition, Parliament adjourned to the 29th to enable the new Government to come to grips with its tasks.

On the 29th the Treasurer presented a revised version of the Fadden Budget. The chief alterations in the amount of the Budget were an

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[2] Hon W. P. Ashley. Senator since 1937; Min for Information 1941-43; PMG 1941-45; Min for Supply and Shipping 1945-48; Shipping and Fuel 1948-49. B. Hay, NSW, 1886.

[3] Hon C. W. Frost. MHR 1929-31, 1934-46; Min for Repat and War Service Homes 1941-46; Australian Commissioner (later High Commnr) to Ceylon 1947-50.

[4] Hon J. M. Fraser. Senator since 1937; Min for External Territories 1941-43; Asst Min for Supply 1942-43; Min for Health and Social Services 1943-46; Min for Trade and Customs 1946.

[5] Hon G. Lawson. MHR since 1931; Min for Transport 1941-43. B. 1881.

[6] Hon H. P. Lazzarini. MHR 1919-31, 1934-52; Min for Home Security 1941-46; for Works and Housing 1945-46. Died 1 Oct 1952.

increase of £4,600,000 for increased rates of pay for members of the forces and £1,115,000 for increases in old age and invalid pensions and a reduction of £80,000 in the vote for the Department of Information. The basic financial policy was similar but stated more persuasively:

> The diversion of labour and resources to war production will necessarily reduce the volume of non-essential goods available for civil consumption. On the other hand, the increased volume of employment will place further spending power in the hands of the people. If this were all spent it would result in increased competition by private interests for the resources necessary for war. This must be avoided or our war effort will falter. Private spending must therefore be limited to the smaller flow of civil goods that will be available and prices must be rigidly controlled. We are, therefore, forced by the demands of war to call upon the people for further sacrifices which can be made, whilst preserving health and efficiency for all . . . . Credit expansion, however, can be successfully used to finance employment of reserves of manpower to expand production of goods and materials. That is to say that any increase of the money volume must be balanced by a corresponding increase of production . . . . In these circumstances, the Government must provide for additional taxation on those best able to bear it; a national campaign for savings to help the war effort generally; an appeal for the maximum support to war loans and war savings certificates; and such further controls and measures as may be necessary to secure additional resources for war by diversion from non-essential needs to war needs and to provide for an equitable distribution of the reduced volume of non-essential goods that will be available.

Fadden had said all this in another way. For example, whereas Fadden had said in effect that an expansion of credit was no solution because the real limit was the collective resources of the community, Chifley said in effect that credit expansion could be used to the limit of manpower. The new income tax proposals were directed solely at high incomes and, because these filled only a small part of the taxation field they were expected to yield less than £3,000,000 of the £22,000,000 to be provided by extra taxation. The rest was to be obtained by the amendment of certain exemptions and deductions from income tax (£2,900,000), an income tax on companies (£4,500,000), a wartime company tax (£4,000,000), estate duties, and gift duties (£250,000), land tax (£5,000,000), sales tax (£1,900,000), increased post office charges (£1,500,000), and increases in customs and excise (£2,350,000). In other words Chifley had substituted indirect taxation and higher taxation on the higher income groups alone for the Fadden proposals for continuing taxation at little more than existing rates plus compulsory savings from all income groups.

Policy towards the banks would be to prescribe by regulations conditions similar to those which Fadden had obtained by agreement. The trading banks would be licensed and a licensed bank would be required to hold on deposit with the Commonwealth Bank its excess investible funds "on a basis to be determined by the Treasurer after fully discussing the matter with the Commonwealth Bank"; to publish accounts and balance sheets at intervals and in forms prescribed by the Treasurer; to furnish to the Treasurer through the Commonwealth Bank such statements in respect of their business as the Treasurer directed and to the Commonwealth Bank such statements as the bank directed; to enable the Auditor-General to

investigate and report upon the affairs of the bank periodically, or as directed by the Treasurer. These powers would be exercised as the Fadden agreement had been intended to apply, to prevent expansion of credit by trading banks arising out of increased funds due to war activities.

Chifley warned Parliament, as Fadden had done, that the war situation was changing rapidly and there was every possibility of war expenditure being increased. It was intended therefore to review the Budget position early in the new year and bring down a supplementary Budget to provide for any additional expenditure that might be required.[7]

Fadden declared that the Chifley Budget was framed on exactly the same basis as his own budget and represented the conversion of Labour to the views they had opposed since 1939 namely that the war had to be financed by taxation, loans from the public, and borrowing from the banking system, and that war needs must be met from the collective resources of the community. The Government had placed an additional and unfair burden on the family by its indirect taxation and had singled out only one small section of taxpayers for direct taxation. The increased wage fund of £150,000,000 brought about entirely by the war had been ignored for purely political reasons. The banking proposals constituted one man, the Treasurer, the dictator of financial policy.

The general debate was concluded on 13th November. A brilliant debating exchange between Menzies and Curtin had enlivened one evening. On both sides members had made their solid contributions and on both sides other members had descended to trivialities. Chifley summed up moderately and modestly.

The session proceeded much as other sessions had done and what little liveliness there was could be discerned mainly in a certain cockiness among the Government back-benchers at question time and some touches of recrimination on the Opposition side mainly in the form of questioning the genuineness of Labour patriotism. Both Houses plodded dutifully through the Budget and attendant legislation and completed their routine task by the end of November. In divisions, Coles and Wilson consistently voted with the Government.

In a valedictory speech on the evening of 26th November, Curtin expressed gratitude to the Leader of the Opposition for his consideration and "complete generosity" to him as a novice and Fadden reciprocated by saying that the Opposition intended to lend all possible assistance to the Government in order to achieve a maximum war effort. He spoke with gratification of what had been achieved in recent weeks by compromise. Anomalies which had been exposed in legislation during the debate had been referred to special committees upon which all parties were represented and the unsatisfactory provisions had been suitably amended.

Parliament was functioning again. The Government was stable. The outcome of the political crisis which is most worthy of remark was not that it led to any great change of administrative efficiency—indeed there

[7] *Commonwealth Debates*, Vol 169, pp. 19-31.

was the usual brief period of hesitation while new Ministers were settling into their jobs—or any immediate change of policy or method in respect of the conduct of the war but that the Australian system of parliamentary democracy had proved workable and regained respect and confidence for itself. There was prospect of stability without an election.

Members dispersed hopefully on the 27th. In his valedictory Curtin had said: "But more than anything else I hope that before the House meets again the course of the war will have turned most definitely in our favour and that the cause for which we stand will be in sight for earlier vindication as the result of victory than is at present indicated. We have no sense now of defeatism. The spirit of victory pulses strongly through all the democratic countries".[8]

[8] *Commonwealth Debates*, Vol 169, p. 1005.

CHAPTER 13

DANGER FROM JAPAN, JULY-DECEMBER 1941

REMOTE from the political contention in Australia, events in the Far East were leading rapidly towards war. The danger in the Far East had been made secondary to domestic strife over a period of two months from the beginning of August. The changes of government themselves brought no significant changes in Australian external policy. Curtin and his senior Ministers had been familiar, through membership of the Advisory War Council, with what the Menzies Government had done and when they took office they continued on the same lines, while, through the Advisory War Council, the new Opposition associated itself with what they did. The only perceptible change was that the new War Cabinet seemed to revive in October some measure of hope that war with Japan might still be averted.

At this stage it would be helpful to cast a quick retrospective glance over Australian policy towards Japan during the course of the war. Up to the fall of France Australia was prepared to rely on British and American diplomacy to ensure adherence by Japan to the announcement by the Japanese Prime Minister on 4th September 1939: "Faced by the European War which has just broken out, Japan intends not to be involved in it. She will concentrate her efforts on a settlement of the China Affair." From time to time the Australian Government sought appreciations of the Far Eastern situation from Britain and, on those appreciations, made the decisions to send an expeditionary force overseas and to send her warships to the Mediterranean. Her own purpose, being involved in the war with Germany, was to be non-provocative towards Japan.

The fall of Norway, the Netherlands, Belgium and France coincided with the various declarations by Japan of a "new order" in East Asia and a "co-prosperity sphere". Mr Arita summed up the policy on 29th June 1940: "Japan, while constructing a new order in East Asia, is paying serious attention to the development of the war and its repercussions in various quarters, including the South Seas. I desire to declare that the destiny of these regions—and any development in them, or any disposal of them—is a matter of grave concern to Japan in view of her mission and responsibility as a stabilising force in East Asia". Japanese propaganda swung to open support of Germany and Italy and, on 28th June, Japan presented to the United Kingdom demands for the withdrawal of the Shanghai garrison, the closing of the Hong Kong frontier and the closing of the Burma Road. While Britain and the United States were looking for the possibility of a Far Eastern settlement, Australia was influenced to a much greater extent by the fear that Japan would take advantage of the situation in Europe to further her interests even to the extent of war with the British Commonwealth. This Australian attitude was based on an Australian belief, founded in half a century of discussion of danger in the

East, that Australia would be one of the chief objects of Japanese attack. It now appeared to Australians that Britain would be unable and America would probably be unwilling to do anything to stop Japanese armed aggression. On 27th June 1940 the Australian Government informed the United Kingdom that it found it hard to visualise the acceptance by Japan of any proposals for a Far Eastern settlement restoring the complete independence and integrity of China. It felt that any British and American move towards ending the Sino-Japanese war would only be justified if the object was a three-party declaration by Japan, the British Commonwealth and the United States regarding the *status quo* in the Western Pacific, together with territorial guarantees, to which the United States would be definitely committed. Amplifying this view in a telegram to the United Kingdom on 25th July, Australia expressed the view that there was little hope of such a general settlement while Britain was at a disadvantage in Europe and that the best line would be to give way to Japan, only under *force majeure,* on questions which were not absolutely vital and to work in as close cooperation as possible with the United States. On 6th August Australia emphasised that it was hostile to a policy of "mere appeasement" to Japan. If it appeared that Japan was set upon provocation the British attitude should be firm but such as would, if possible, avoid war. It was also felt strongly that, where the ultimate issue was war with Japan, in the circumstances then existing, tactics of bluff should not be used. On 8th August, in a further telegram, Australia accepted as axiomatic the the advantage of a common policy in the Far East with the United States. Such importance was attached to agreement with the United States, leading to firm and exact assurances of American support in carrying through a joint or parallel policy, that a considerable modification of British Empire policy would be justified in order to secure such assurances. Australia concurred in the closing of the Burma Road for three months from 17th July as a prelude to discussions with Japan on a settlement and concurred too in the reopening of the road when the hope for discussions failed and, on the contrary, Japan entered the "Axis pact" on 28th September committing herself to give military, economic and political assistance to Germany and Italy.

For the remainder of 1940 and early 1941 Australia supported British and American economic measures against Japan and expressed the opinion that in pursuit of measures which were chiefly designed to prevent Japan from accumulating stocks of war materials or transferring them through the Soviet Union to Germany the following "vital principles" should be observed: (a) what was done should be done *pari passu* with the United States; (b) the measures should be consistent and coordinated, for pin-pricking and piecemeal measures would only be dangerously provocative.

The appointment of Sir John Latham as Australian Minister to Tokyo and his arrival in Japan at the end of 1940 afforded opportunities for the direct communication of Australian views to Japan, and the Minister's despatches recorded several occasions between February and August 1941 when he spoke with firmness and frankness to Mr Matsuoka and his

successor Admiral Toyoda on the hope for friendly relations and the resolution to resist attempts at Japanese domination.

In July 1941 Australia concurred with the Anglo-American proposals for the freezing of Japanese assets and virtual cessation of trade with Japan as a counter-measure to the Japanese occupation of southern Indo-China, but did so on the assumption and understanding that the United States would move first.[1]

These proposals raised in the mind of the Australian Government two further questions. On the one hand it was feared that if such action provoked Japan to war the Netherlands Indies and Australia would suffer first. On the other hand it was seen that this probability offered another opportunity for obtaining from the United States Government a clearer declaration of what it would do in the event of war. In a telegram to the United Kingdom Government, repeated to the Governments of all the other Dominions and to Australian representatives at Washington and Tokyo, on 23rd July, Australia said:

> As you are aware, we have always attached the highest importance to gaining an assurance of the collaboration of the United States in a course of action in the restraining of Japan. Now that the United States Government has decided to adopt severe measures in the event of a Japanese move in Indo-China, we feel strongly that the whole object of our policy in the Far East for the past year would be negatived if the British Empire now lagged behind the United States in the effectiveness and determination of its own counter-measures.[2]

Two days later a message from Menzies added:

> Having regard to our consistent attitude on this matter over the past year, and from the point of view of the highest interests of our national security, we would frankly find it impossible to justify embarking at this critical point on a course of action which might lead us into war with Japan unless some satisfactory understanding had first been reached with the United States . . . . It seems to us entirely feasible that in notifying the readiness of the British Commonwealth to concert with the United States in proposed economic action, the British Ambassador should intimate that we clearly realise the possible consequences of action, both for ourselves and the Netherlands, and that we assume that the United States Government also realises them. In a discussion which will arise on this basis, an indication of the United States' attitude will certainly appear. The nature of this in all probability will constitute the satisfactory understanding which we feel to be essential. We consider it vital, however, that the question should be raised in one form or another.[3]

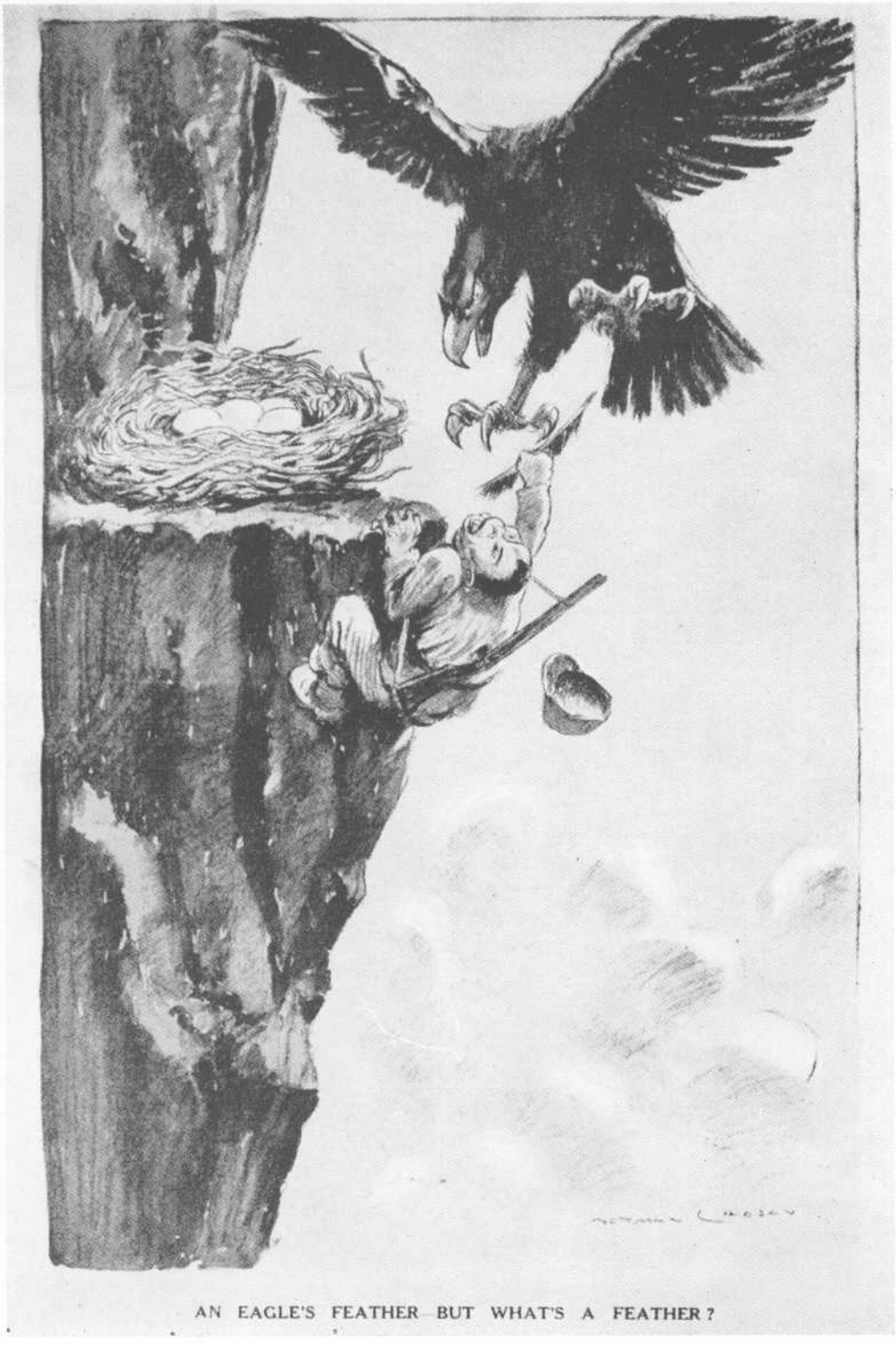
The United Kingdom did not think it advisable, nor did time allow, to seek a guarantee of armed support at that stage, and the joint economic action against Japan was taken by the United States, United Kingdom and other governments on 27th July (Australian time) without further discussion of the point. In reporting to the Advisory War Council on 29th July on the international situation, the Prime Minister indicated the views he had communicated to the United Kingdom and repeated the views, which he had put forward on behalf of Australia in London in the previous

[1] Prime Minister to Secretary of State for Dominions, 25 Jul 1941.
[2] Prime Minister to Secretary of State for Dominions, 23 Jul 1941.
[3] Prime Minister to Secretary of State for Dominions, 25 Jul 1941.



Sun (*Sydney*)

From civvies to service issue: W.A.A.A.F. volunteers, September 1941.



Norman Lindsay in Bulletin *(Sydney), 24 Dec. 1941.*

A typical Australian comment on the Japanese attack on Pearl Harbour.

April and May, that a chalk line should be drawn to mark the limit of the Japanese southward advance and American support obtained to ensure that the limit was kept. Regarding the particular question of economic sanctions, Menzies expressed the view that they should be all-embracing and crippling in their effect, of sufficient extent to prevent supplies filtering through to Germany, and to prevent Japan from building up stocks of important war materials.[4]

On 30th July, following a cabled suggestion from Bruce that further discussions might well be opened immediately,[5] Menzies sent a message to the Secretary of State, again repeating it to the other Dominion Prime Ministers, urging that the position that would arise if serious Japanese reactions were provoked should be discussed urgently with the United States. His message continued:

> If the Americans feel in their hearts that in the event of warlike retaliation by Japan they could not remain aloof from the conflict, surely they can be made to see that a plain indication by them to Japan at this stage would probably avoid war. I recognise the traditional reluctance of the United States to enter into outside commitments in advance, but where the commitment seems inevitable, there is everything to be gained by promptly accepting it, and everything to be lost by delay. There is an apprehension in our minds and in the minds of leading members of the Opposition that the dangers in the Pacific are more dimly perceived elsewhere than by ourselves. We, vividly conscious of these dangers, are still convinced that the United States Administration is in the best position to dispel them. The faintest drift in our handling of the Japanese problem may mean that Japan will engage in policies from which at a later stage she cannot withdraw without a serious loss of face.[6]

The United Kingdom Government "welcomed" the Australian approach.[7]

During the first week of August both the United Kingdom and Australia had cause for increased concern in the situation in Thailand, next in the path of Japanese southward progress, and this concern came to a focus in the particular question which had been haunting diplomacy in the Far East for months. Should a guarantee of armed support be given to the Thais and, if given, would it have the least effect? Latham,[8] reporting from Tokyo immediately after the economic counter-measures had been applied, pointed out that the Anglo-American action, though speedy, had failed to prevent a Japanese move into Indo-China and that Japan would now prepare for her next step—probably a move to take Thailand under her "protection". The British Government should consider without delay how to prevent this. Casey proffered advice from Washington that Roosevelt and Hull should be approached and that, even if a firm undertaking of military support could not be obtained, the United States Government should be urged to give a warning to Japan against any further attempt at "expansion". The United Kingdom Government received from its own

[4] Advisory War Council Minute 413, 29 Jul 1941.
[5] Bruce to Prime Minister 28 Jul 1941.
[6] Prime Minister to Secretary of State for Dominions, 30 Jul 1941.
[7] Secretary of State for Dominions to Prime Minister, 2 Aug 1941 (two messages).
[8] Latham to Minister for External Affairs, 29 Jul 1941.

representative in Bangkok appeals for British and American support of the Thai Government against Japanese pressure.

The course of Australian thinking at this stage is well illustrated in the records of a meeting of the Advisory War Council on 6th August, when Menzies informed members of the denunciation by Australia of her commercial treaty with Japan and the imposing of import and export controls against Japan. He then spoke of the efforts being made to induce the United States Government to take a stronger line.

The main elements in the situation which Menzies presented to the Council were, first, the maintenance of Anglo-American cooperation in economic measures against Japan; second, the possibility of obtaining United States cooperation in the issuing of a warning against Japan; third, a particular question raised by a request made by Thailand to know the attitude of Great Britain and the United States in the event of a Japanese attack; and fourth, the general question whether the United States could be relied upon to support the British Commonwealth in the event of war with Japan, and at what point Japanese aggression would involve Japan in war with Britain and the United States. Menzies underlined the importance of keeping in line with the United States. He also recognised the inability of Britain and the unwillingness of the United States to give material help to Thailand and the likelihood that this would throw the Thailanders into the arms of Japan.

The records of the meeting reveal that Menzies still held to the view which he had urged on the Foreign Office in London that war with Japan should not yet be accepted as inevitable and that a positive policy of seeking a discussion with Japan on the situation in the Pacific should be followed. In any such discussion, he said, it should be made clear to Japan that if Japan took certain steps, specifically defined, action would be taken against her, but this determination being understood, attempts should be made to clarify the policy of both sides.

Menzies, however, admitted that it was unlikely that either the United Kingdom or the United States would agree on such measures. He recalled the discussions at the time of the reopening of the Burma Road, saying that the United States Government would not agree to intervene, although it was entirely American trade that was being transported along this road. He also recalled that the Australian High Commissioner in London had sought to persuade the United Kingdom Government to secure a basis of settlement with Japan without success, and that he himself had urged the same point in London without result. Australia had urged the United Kingdom Government to press the United States to make a clear statement that they would support the British Commonwealth in war with Japan, and, after receiving an expression of agreement from the Dominions Office on this point, Australia had also urged that the elucidation of the United States attitude should be comprehensive, including the specific question of what the United States would do in case of Japanese aggression in the Netherlands East Indies or in Thailand. In Washington the Australian Minister had also been active trying to bring about some result.

Taking this view of the diplomatic situation, Menzies saw no room for independent Australian activity. The Council minutes reveal that Menzies had already rejected a proposal for a personal visit to Tokyo. The minute reads: "The Prime Minister said that the Japanese Minister to Australia had suggested to him that he should go to Tokyo in an endeavour to check the drift of the situation. He recalled, however, Mr Chamberlain's visit to Munich and the consequent criticism that he ultimately incurred for appeasement".

Regarding Anglo-American cooperation as the main essential in the effective handling of the Eastern situation, the Prime Minister rested his arguments on measures for bringing about such cooperation. Curtin, however, whose arguments appear from the records to be less definite and clear, was inclined to seek other possibilities. He agreed with the Prime Minister's view that a conference should be sought with Japan, and when he was faced with the difficulty of obtaining British and American acceptance of this view, he suggested that it might be conveyed to Japan that if Japan were willing to call a conference the United Kingdom would agree to it. To support this suggestion he commenced to build up a very hopeful explanation of Japanese policy and the chances of separating Japan from the Axis. The reasons for Japanese activity, he said, were first that she was trying to do something for the Axis as a matter of treaty obligations and, second, that she was trying to get into a strong position for bargaining when the war was over. Curtin was also in favour of the suggestion of trying to mark the limit of the Japanese southern advance, but said that the line should not be drawn before his suggested conference had been held as that would prejudice the discussion.

When Hughes raised a doubt whether any arrangement made with Japan could be kept, Curtin cited as an indication of Japanese trustworthiness their respect for the Anglo-Japanese Alliance in 1914-18 and their loyalty to the Axis. If, however, it was considered that war with Japan was inevitable, Curtin said, Australia should "bring pressure to bear on the United States of America to knock Japan out now". He did not indicate what form successful pressure on the United States might take.

It may be recalled that in the preceding twelve months Curtin had based his criticism of the Government's defence policy and the dispersal of forces to the Middle East on his firm assumption that war in the Pacific was inevitable, but now, at a time when the Far Eastern position was certainly much graver than it had been, he seemed to be cherishing momentary hopes that war could be avoided. Towards the end of the discussion, however, his hopes and his fears seemed to meet. The minute recording his final contribution to the discussion read as follows:

> Mr Curtin referred to the A.I.F. position in the Middle East and to the large supplies which we are sending overseas to the Central Provision Office, New Delhi, yet we were faced with the prospective entry into the war of Japan which will be active in areas in which we are vitally interested. He did not think that the United States of America would move until the Netherlands East Indies was attacked by Japan. He thought that the Japanese blow would fall on Siberia and that Japan's threat to the south was an attempt to immobilise Australia's cooperation with other

parts of the British Empire in the war against Germany and Italy. Though the United States might ultimately come in, enormous damage would have been done by Japanese raids. The A.I.F. would be away from the country and a state of affairs would arise which would be politically unmanageable. It was just as easy for the United Kingdom Government to make an agreement with Japan at this stage as it was for Japan to make one with Russia. Furthermore, once the impression was formed in the United States that we were easing up on Japan, it would be fatal to American cooperation.[9]

This straw-clutching discussion of diplomatic possibilities gave place to the concrete problem of what to do in Thailand. Bruce, in a personal message to Menzies from London on 8th August, said:

Questions of the highest policy have now to be determined . . . The United States, United Kingdom and Dutch Governments should now warn the Japanese Government that any extension of its southward movement into Thailand will be resisted. The difficulty with regard to this course is the doubt whether the United States would be prepared to join in any such warning and we have to consider what our course should be in the event of this proving to be the case. The alternatives would appear to be:

1. Do nothing and take no action unless we are attacked.
2. Issue the warning without the United Sttaes being associated with it.
3. Issue no warning but seize the Kra Peninsula immediately upon any infringement of Thai territory by the Japanese.
4. The seizure of the Kra Peninsula immediately without waiting for any further action by the Japanese.

In considering these four alternatives our objectives must be kept clearly in mind:
(a) To avoid war with Japan.
(b) To ensure United States will support us if we do become involved in war.

Bruce said that if the United States would not join in the warning he favoured issuing it without them as he thought this course offered the best prospect of avoiding war. He commented:

If the Japanese do not want war but are only testing how far they can go without precipitating it, the warning will halt them. If they are bent on war it will make no difference and will at least prevent our landing into war after Japan has seized more bases, making the defence of Malaya more difficult. To my mind this course offers the best prospect of early United States intervention. The warning would be given with the knowledge of the United States—obviously we could not take this step if the United States had protested against it—and if as a result of it we became involved in war I believe that the United States would soon be in, with the support of public opinion.[1]

After discussion in the Full Cabinet on the 11th, following the return of Menzies from his interrupted tour of State capitals,[2] Menzies addressed a message direct to Churchill, who was then keeping his rendezvous with Roosevelt in the Atlantic. At that Atlantic meeting, the Australian Ministers assumed, the question which they had asked should be taken up by the British Ambassador in Washington would now be discussed at the highest level of authority. The message, which was repeated to all Dominion Prime Ministers and to Casey, said:

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[9] Advisory War Council Minute 451, 6 Aug 1941.

[1] Bruce to Prime Minister, 8 Aug 1941.

[2] See Chapter 12, p. 496, above.

My colleagues and I have given anxious consideration to the Far Eastern position. We have, as you know, always regarded Singapore and Malaya as our vital outpost, and have at all times, as I indicated to the Foreign Office when in London, been prepared to join in a guarantee to the Netherlands East Indies.

We have also assumed that in the event of war with Japan, naval reinforcements, as discussed in London, with a nucleus of five capital ships, would be sent to the Far East. We now say and emphasise that an early despatch of capital ships east of Suez would itself be the most powerful deterrent and first step.

We also once more urge that, having regard to the grave tension at present existing, air and military reinforcements to Malaya should be vigorously expedited.

The position of Thailand now comes up for early decision, for events appear to be moving rapidly. Two urgent questions emerge:

(1) Should we, the British countries, be prepared to make it clear to Thailand and to Japan that any attack upon Thailand by Japan will be regarded by us as a *casus belli*?

(2) Should we announce this to the countries concerned independently of United States action or should we make it conditional upon American concurrence and active participation?

We are of the opinion as the Government of one of the two British Dominions which are most directly affected that the first question should be answered "yes" and that while every pressure should be maintained upon the United States, it would be an error to condition our action upon American action, though actual objection by the United States of America would of course be fatal.

Thailand's strategic position and resources are such that Japan's occupation of them would gravely imperil the safety of Singapore, the effective control of the waters around the Malay Peninsula, the Philippines and the Netherlands East Indies, and the maintenance of Chinese supplies along the Burma Road. Having regard to the realities in the Far East we do not believe that Japan wants Thailand merely as an end in itself. Its capture or control would be plainly a first step and it is the first step that counts.

After referring to the American attitude as "disappointing", Menzies added:

We feel that if we are prepared to fight America will not in fact desert us. A bold course ought to change the whole outlook.

Menzies wrote, too, of ensuring "the closest consultation and agreement with the Netherlands East Indies" and summed up:

If Thailand is abandoned and we delay our action we will be one country nearer to war, and in that war and in particular the defence of Singapore, Japan will be relatively stronger and we relatively weaker than at present.[3]

Menzies received on 13th August a reply from London stating that his message had been forwarded to Churchill and informing him that, in the meantime, news had been received that Roosevelt intended to continue to try to negotiate with Japan in continuation of an earlier American proposal for the neutralisation of Indo-China and Thailand under a joint guarantee by the United States, United Kingdom, Japan, China and others. Furthermore, on his return from the Atlantic cruise he intended to hand to the Japanese Ambassador a note which would contain a passage to the effect that "Any further encroachment by Japan in the South-West Pacific would produce a situation in which the United States Government would be compelled to take counter-measures, even though these might lead to

[3] Prime Minister to Secretary of State for Dominions, 11 Aug 1941.

war between the United States and Japan". He would also add "something to the effect that it was obvious, the Soviet Union being a friendly power, that the United States Government would be similarly interested in any similar conflict in the North-West Pacific".[4]

When the Advisory War Council met on 14th August Menzies informed them that views had been exchanged with other Governments of the British Commonwealth and outlined the conclusions reached by the Full Cabinet and incorporated in the telegram of 11th August. Evatt asked whether that meant that if Japan attacked Thailand Australia would go to war. Menzies said that was the case. Evatt asked if the British Empire would go to war without the United States. Menzies said: "Yes, provided that the United States did not object".

After informing the Council that a secret meeting in the North Atlantic was taking place between Roosevelt and Churchill, Menzies said that he had been informed that they would make statements on war aims and on the proposed neutralisation of Thailand and the withdrawal of Japan from Indo-China. The Australian Government had emphasised to Churchill the importance of the Far East and had urged that it should not be regarded as something subsidiary. It was hoped that the Churchill-Roosevelt talks would lay down a firm and common course of action between the British Empire and the United States.

Curtin referred first to an interview he had had with the Japanese Minister in Canberra and the "intimidatory attitude" of the Minister "regarding the necessity for Japan to take the opportunity to break the A.B.D.A. [American, British, Dutch, Australian] powers". He then urged on Menzies the importance of locating a capital ship fleet at Singapore or an American fleet in the Philippines and argued that it would be unwise to make any threat to Japan without the power to carry it out. Menzies agreed with this but suggested that such a declaration would influence the United States towards a firmer stand.

Evatt, who was supported by Beasley, Forde and Makin, then raised an objection that the Full Cabinet had taken decisions which threatened war with Japan and there had been no consultation with the Council. Curtin reminded his colleague that the Government's cablegram of the 11th had stated the views that had been put forward by non-Government members of the Council over a period. Japan should not be given access to places which would make further advances possible.[5]

Already it would appear that domestic political issues had been introduced into the examination of the Far Eastern situation for, as soon as Menzies had completed his original statement, the minute records "a discussion as to the reasons for summoning the Full Cabinet and the abandonment of the Prime Minister's tour". Now, on the proposal that Menzies should return to London by air immediately to press Australian views, the international issue was subordinated to the domestic issue. The main point

[4] Secretary of State for Dominions to Prime Minister, 12 Aug 1941.
[5] Advisory War Council Minute 466, 14 Aug.

of the case made by Menzies was that there was still an enormous task to be done to convince the United Kingdom Government, and Churchill as much as anyone, of the vital significance of holding Singapore. As recounted above,[6] some of the non-government members had already made up their minds before they had come to the meeting that his proposal to go overseas was a political dodge and Menzies did not go. Action on this proposal was not decided by arguments relating to the war situation but by those relating to the contention for political power in Australia.

Leaving aside those elements of domestic politics which did in fact determine the outcome, it is a matter for speculation whether more determined and urgent measures by Australia in August 1941 to bring about the naval reinforcement of the Far East, as favoured by both Menzies and Curtin, and a more resolute front against Japan would have averted subsequent disasters. It is also a matter for speculation whether the presence of the Prime Minister in London might not have given Australia a more favourable place in the higher direction of the war when the conflict did eventually spread to the Pacific. Certainly those who opposed Menzies on this occasion eventually came to agree with the two points that there was still need to convince the British leaders of the dangers and the lack of forces in the Far East and that Australia should participate in higher policy decisions in the Pacific. The decision taken by the Advisory War Council against the views of both Menzies and Curtin in August 1941 certainly seems in retrospect a lost opportunity for pressing the interests of Australia.

The "warning" eventually given by Roosevelt was not as strong as the early reports had led the Australian Government to hope. On 17th August he informed the Japanese Government that if Japan took any further steps in pursuance of a policy or programme of military domination, by force or threat of force, of neighbouring countries, the Government of the United States would feel compelled to take immediately any and all of the steps which it might deem necessary towards safeguarding the legitimate rights and interests of the United States and American nationals and towards ensuring the safety and security of the United States.[7]

Bruce, in a message from London, remarked that the language did not appear quite as firm as early reports of the Roosevelt-Churchill conversation had suggested, but added that Churchill had seen the text of Roosevelt's aide-mémoire to the Japanese Ambassador before he approved of the personal message to the Australian Prime Minister regarding the Atlantic meeting.[8] The language of Roosevelt's warning, however, was interpreted in the knowledge of the conversations. Its true import was elucidated in further exchanges between the Australian and United Kingdom Governments on the question of a public statement to be made by Britain. In a broadcast of 24th August, Churchill made it clear that Britain would range herself at the side of the United States if the latter became

[6] See Chapter 12, p. 496, above.

[7] *Papers Relating to the Foreign Relations of the United States, Japan: 1931-41*, Vol II, p. 557 (Department of State publication).

[8] Bruce to Prime Minister, 25 Aug 1941.

involved in war with Japan. Later the United Kingdom Government felt that it was desirable to warn the Japanese Government "on our own part and directly that, apart from our support of the United States, we should be compelled in the interests of security of our own territories to take counter-measures in the event of further Japanese expansion".[9] Two alternative formulas were prepared and Australia showed a decided preference for one which would state that any further Japanese encroachment in the South-West Pacific area—a term which Australia found vague but hoped would include Thailand—would compel the United Kingdom Government to take counter-measures even though these might lead to war between Great Britain and Japan.[1] This proposal to make a British declaration and the parallel attempt to obtain a similar declaration from the United States were abandoned in response to American representations and in recognition of the constitutional difficulty of President Roosevelt in giving a reciprocal assurance.[2] In informing Australia of its intention to leave the matter as it stood, the United Kingdom said:

> You should, however, be aware that the general impression derived by our representative at the Atlantic meeting was that, although the United States could not make any satisfactory declaration on the point, there was no doubt that in practice we could count on United States support if, as a result of Japanese aggression, we became involved in war with Japan. In this connection, I should also invite attention to earlier messages which indicated that the United States Ambassador at Tokyo had made it clear to the former Japanese Minister for Foreign Affairs that, as the United States are doing everything in their power generally to keep us supplied across the Atlantic, they obviously could not stand by and watch our lifeline being cut in the Pacific through an attack on Singapore or the Netherlands East Indies. The President assured His Majesty's Ambassador at Washington on 31st July that this would still be the United States attitude in the event of such a Japanese attack and Lord Halifax was later informed by the United States Secretary of State that this general definition of the United States position had recently been conveyed by Welles and himself to the Japanese Ambassador and Counsellor at Washington.[3]

The "warnings" to Japan, though perhaps in milder terms than expected by the Australian Government, were associated with a resumption of conversations with the Japanese representatives in Washington and these conversations revived prospects either of peace or of delaying the outbreak of war. Furthermore, the situation did seem to have improved. On 1st September Fadden, who had now succeeded to the Prime Ministership, received from Churchill an optimistic telegram referring to the situation in the Far East, for a variety of reasons, "not only as more favourable but as less tense". Churchill added:

> . . . as they become available we contemplate placing a force of capital ships, including first-class units, in the triangle Aden-Singapore-Simonstown before the end of the year. All this will be without prejudice to our control of the Eastern Mediter-

[9] Secretary of State for Dominions to Prime Minister, 28 Aug 1941.

[1] Secretary of State for Dominions to Prime Minister, 28 Aug, and Prime Minister to Secretary of State for Dominions, 2 Sep 1941.

[2] Secretary of State for Dominions to Prime Minister, 2 Sep 1941.

[3] Secretary of State for Dominions to Prime Minister, 12 Sep 1941.

ranean. I can assure you that we are giving constant attention to all this, and you may be sure that we shall never let you down if real danger comes.[4]

Fadden, in a personal message to Churchill, expressed to him the deep gratitude of Australia for "the great success of the bold mission" which he had undertaken at the Atlantic meeting.[5]

The concern over Thailand in early August gave place in September to a renewal of optimism. A meeting of the Advisory War Council on 2nd September discussed the negotiations between the United States and Japan and took the view that time was running in favour of the Allies more than in favour of Japan. The Battle of the Atlantic was improving. The United States was established in Iceland and would shortly be convoying its own ships to this point and it was considered that the discussions between Churchill and Roosevelt had established the United States as the spearhead of the opposition to Japan, with United Kingdom support.[6] The publication of the Atlantic Charter had been hailed in Australia both as a momentous declaration of war aims and a demonstration of Anglo-American unity.[7] Churchill's assurance of naval aid was noted "with satisfaction" by the Advisory War Council at a meeting on 19th September,[8] and apparently was found so encouraging that, later in the same meeting, Curtin suggested that, in view of this assurance of aid, consideration might be given to a reduction in the "numbers of the members of the Militia force called up for duty and the period of training which others are required to undergo". He considered that the situation might warrant the transfer of men from army activities to munitions production.[9] The suggested transfer was, of course, not related solely to the greater confidence of security in the Far East, but also arose in some measure from the view expressed by Curtin in recent months that a readjustment was needed in the Australian war effort.

Meanwhile the decision had been made that Sir Earle Page should go to London. In a discussion with members of the Advisory War Council on the 12th September on the eve of his departure on a month-long air journey to London via Batavia, Singapore, Manila, and the United States, Page explained the general purpose of his mission. He said that he considered that Japan might still be deterred from entering the war if there were, first, greater naval and air strength at Singapore and, second, close collaboration between the United Kingdom and the United States in defence of their joint interests in the Pacific. Part of the results of the strengthening by the United Kingdom of its force at Singapore would be to ease the

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[4] Secretary of State for Dominions to Prime Minister, 31 Aug 1941.

[5] Prime Minister to Secretary of State for Dominions, 4 Sep 1941.

[6] Advisory War Council Minute 475, 2 Sep 1941.

[7] E.g. The *Sydney Morning Herald* editorial of 16 Aug: "This unity of Anglo-American purpose, now formally attained and proclaimed, must have a powerful effect on the course of the struggle. A virtual partnership based on a complete agreement on all questions of principle has replaced the cooperation of the past two years of war. The United States has not yet taken her place in the firing line, but by this declaration the President has openly associated her with Britain in a manner which makes her, for all practical purposes, an unpledged ally".

[8] Advisory War Council Minute 514, 19 Sep 1941.

[9] Advisory War Council Minute 516, 19 Sep 1941.

Australian burden on both Budget and manpower which had been placed on her by the necessities of local defence. He would also take a line that Australia's noteworthy contribution to the war effort should give her a voice when decisions were being taken in London which affected Australia's interests. Permanent representation in the United Kingdom War Cabinet was essential because events in the Pacific were of such vital importance to Australia.

Curtin said that the essential point was not membership of the War Cabinet but the presence of a Minister constantly in London to press the Australian viewpoint. The strongest representations regarding the location of capital ships at Singapore were both important and urgent. The strategy of the war insofar as it affected Australian cooperation depended on the presence of capital ships at Singapore. The ability of Australia to contribute to the war effort overseas was contingent on this and on the outcome of negotiations which were then proceeding between the United States and Japan and if these discussions were satisfactory Australia could re-examine its total war effort to determine what it could best do and where it could best be done.[1]

At this time, when the nature of the limits of the Australian war effort were again under consideration, the argument was common that if Britain, by strengthening Singapore and by collaboration with the United States, could deter Japan from entering the war, Australia would be able to make a greater contribution to the war effort overseas, but, so long as Japan was a danger, the Australian contribution would be limited.

After the fall of the Fadden Government there was some speculation whether Page might be recalled. Curtin, however, readily confirmed him in his mission with the status of Special Representative of the Australian Government.

During this period, too, without interruption from the change of government, the permanent officers of the administration proceeded with their preparations against the possibility of war in the Far East. In response to the direction given to them at a meeting of the War Cabinet on 10th June 1941[2] the Defence Committee asked the Joint Planning Committee to review broadly the scope of the present arrangements for the production of joint operational plans to deal with the various possible forms of attack on Australia. The Joint Planning Committee's report was endorsed by the Defence Committee and submitted on 3rd September to the War Cabinet, which approved what had been done and directed that joint operational plans for the defence of Australian territory should be completed as soon as possible.[3] The papers placed before the War Cabinet did not include any submission regarding the nature of the military measures to be undertaken.

At that time the defence of Australia was still seen by the political leaders as being primarily the defence of areas remote from Australia. A

[1] Advisory War Council Minute 512, 12 Sep 1941.

[2] War Cabinet Minute 1136.

[3] War Cabinet Minute 1929, 3 Sep 1941 and War Cabinet Agendum 286/1941.

general strategical appreciation was presented to the new Curtin Government by the Commander-in-Chief in the Far East, Air Chief Marshal Sir Robert Brooke-Popham, during discussions in Melbourne in mid-October. At a meeting of the Advisory War Council on the 16th Brooke-Popham said that it was now fully realised by the countries concerned that Burma, Malaya, the Netherlands East Indies, New Zealand and the Philippines comprised one strategical area and the defence of one of these countries would affect the defence of the others. The United States was now definitely taking measures to defend the Philippines and the Netherlands East Indies Government was fully determined to defend their own territory and to cooperate in the defence of Malaya. All indications were that Japan had temporarily diverted her attention from the south to the north, as it was thought that Russia's preoccupation in the war with Germany presented an opportunity for action to rid Japan of the Russian threat from Vladivostock. It would take Japan some time to concentrate for a move southwards, and for the next three months she would not be able to undertake a large scale attack in the south. This gave the Allies time to complete their defence and to perfect their plans. Japan had almost 35,000 troops in Indo-China which were required for the occupation of the country. A larger force would be necessary for the invasion of Thailand. It was possible that Japan planned to invade Thailand and work down the Kra Isthmus for an attack on Malaya in conjunction with a seaborne attack from Indo-China. The Commander-in-Chief thought that the existing Allied air forces in the Far East could cope with any aircraft the Japanese could base on their present aerodromes during the next three months, and a programme of expansion of Allied air strength had been drawn up to match Japanese aerodrome expansion. At the present time Japan had superiority in numbers but not in quality.[4]

In the course of discussion Brooke-Popham revealed, however, that shortages of equipment, particularly in anti-aircraft guns, still limited the protection of Singapore, and Curtin stressed that the urgent needs of the Far East should be represented strongly to the United Kingdom. Australia could only provide greater assistance in equipment for Singapore at the expense of Australian forces in the Middle East and Australian commitments to New Zealand, the Netherlands East Indies and the United Kingdom.

The discussion revealed, too, an increasing sense of American interest in the Far East other than the Philippines. Brooke-Popham reported that the United States was now making large shipments of equipment to Rangoon to be transported to China over the Burma Road and an American mission had been sent to China to report on the organisation of the road on the Chinese side of the frontier.[5]

More direct evidence of American energy came before the War Cabinet in October in the form of an American proposal, received through the

[4] At that time it was assumed, in the advice before Australian Ministers, that the Buffalo fighter was superior to any Japanese fighter.

[5] Advisory War Council Minute 533, 16 Oct 1941.

United Kingdom Government, that, in connection with the strengthening of their air defence in the Far East, certain air bases be made available to their forces at Rabaul, Port Moresby, Darwin and Rockhampton, the construction of such bases being left to the Commonwealth Government with United States financial and technical assistance. The United States also proposed to supply equipment under Lend-Lease to improve the defence of Rabaul and to give technical assistance for this installation, and asked, too, that certain Australian aerodromes might be used for the training and "familiarisation" of American personnel and for the storage of spare parts, fuel and bombs. Communication facilities were also requested. These representations, which were made, not primarily for the defence of Australia, but in connection with the establishment of an air route between Hawaii and the Philippines and operations to be conducted from the Philippines, were readily agreed to by the Australian Government and led to plans involving an expenditure of approximately £5,684,000 in Australia and its territory, but no work on them had been undertaken before war broke out in the Far East.[6]

Australia itself, adding to the measures previously taken for collaboration with the Netherlands East Indies and for the security of New Caledonia, had given further attention to the position of Portuguese Timor. Early in 1941 the Australian Government had become concerned at reports of Japanese activities in Portuguese Timor and particularly the way in which Japan was gaining support from the local population by arranging to purchase the exportable surplus of their coffee crop. As in the case of New Caledonia the first move by Australia was in the direction of giving commercial support to the Portuguese dependency. At the same time arrangements had been made to use Dili as an alternative stopping place on the Australia-Singapore civil air route and advantage was taken of this arrangement to appoint the Chief Flying Inspector of the Department of Civil Aviation, Mr David Ross,[7] as Australian Civil Aviation representative there. From the outset, however, it was indicated that Ross, who was furnished with light aircraft for his use, should also report to the Australian Government on the general situation in Portuguese Timor, both keeping an eye on what the Japanese were doing and also advising the Government on any opportunities which Australia could take to improve its position.

The measures for the defence of Timor in the case of Japanese action against the Portuguese were also discussed in the course of conversations with the Dutch and the British in February 1941, and it had been agreed to have certain Australian troops available with Dutch troops at Koepang in Dutch Timor.

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[6] War Cabinet Minutes 1398, 15 Oct; 1399, 15 Oct; 1416, 18 Oct; 1429, 22 Oct; Advisory War Council Minutes 545, 13 Oct and 585, 28 Nov; War Cabinet Agendum 333/1941 and 334/1941; Advisory War Council Agendum 126/1941.

[7] Gp Capt D. Ross, RAAF. Aust Consul in Timor 1941-42; escaped from Japanese; joined guerilla forces; Dir of Transportation and Movements RAAF to 1946. Of East Malvern, Vic; b. 15 Mar 1902.

Later in the year the possibility of a German move through Spain and Portugal caused the Department of External Affairs to draw attention to the possibility that, if control of the colony from Portugal were broken, Japan would probably seize the opportunity to take Timor under protective custody. The Government therefore approached the United Kingdom Government with a view to reaching an understanding between the United Kingdom, the Netherlands and Australia regarding the occupation of Portuguese Timor, either jointly or by the separate forces of one of the three nations in the event of either German occupation of Portugal, a Japanese landing in Timor without the outbreak of war between Japan and the Allies, or, in the final extremity, in the case of war with Japan.[8]

The United Kingdom agreed with the sense of the Australian proposals and also proposed discussions with Portugal. For the purpose of these discussions the United Kingdom asked Australia whether, if Portugal agreed to accept reinforcements, Australia would be willing to accept commitments in respect of Portuguese Timor in addition to the commitments already accepted in respect of Ambon and Koepang. By a War Cabinet decision of 15th October Australia agreed that Portugal should be asked whether she was ready to accept outside help if help should be found necessary by the military authorities on the spot, and that both the Netherlands and Portuguese Governments should be asked to agree to local discussions between Australian, Dutch and Portuguese military authorities regarding the necessary preventive measures. The War Cabinet also decided that, in view of the threat to Australia which would arise from a Japanese occupation of Timor, Australia should cooperate to the fullest practical extent in measures for the defence of the colony. To that end the Australian air forces to be provided for reinforcement of Ambon and Koepang should also be available for operations in Portuguese Timor and an additional battalion of supporting troops should be made available to reinforce Portuguese Timor if the Portuguese agreed to accept reinforcements.[9] At the suggestion of the United Kingdom, Ross was given rank as Australian Consul at Dili in order to facilitate his work. Negotiations with the Portuguese Government had not been concluded when war came.

Another facet of the Far Eastern position to which increasing attention was being given in the second half of 1941, was the need to strengthen the machinery for consultation and control. Hitherto the Australian Government had made representations chiefly to London. The Government had used this entrance constantly, expressing views on matters relating to policy towards Japan, cooperation with the United States and the Netherlands East Indies, support for Thailand, the attitude to be adopted in case of a Japanese attack on Russia and the naval and air reinforcement of Singapore. The case made by Menzies for his own return to London and the eventual decision to send Page in his stead were a further expression of the view that any effective influence on the higher direction of the

[8] War Cabinet Minutes 1313, 13 Aug and 1333, 3 Sep 1941.

[9] War Cabinet Minute 1410, 15 Oct 1941. War Cabinet Agendum 270/1941.

war could best be exerted on Churchill, the British War Cabinet and its advisers in London. In the last quarter of the year, however, with the growing urgency of the situation in the Far East, a number of political problems appeared which were local in their incidence and there was also a growing amount of administrative devolution from London to Singapore, Shanghai and Hong Kong and a growing number of occasions on which inter-Allied interests could perhaps be coordinated on the spot instead of by remote control from London. About the time of the accession of Labour to power there was a marked move towards local consultation leading to local decisions.

The Singapore and A.B.D.A. conferences and the visits to Australia of Brooke-Popham, had given a measure of local consultation on regional matters. In early September the prospects of increased local discussion were enhanced by the arrival of Mr Duff Cooper at Singapore as Resident Cabinet Minister for Far Eastern Affairs. His appointment was largely modelled on the action taken by the United Kingdom in the Middle East, where a Minister of State had been appointed and a War Council formed representative of the three Commanders-in-Chief, the British Ambassador at Cairo, the High Commissioner of Palestine and the Governor of Aden. The position in the Far East, however, was not directly comparable and, from the commencement, there seems to have been some neglect to distinguish clearly between the problems of inter-Allied consultation and the problem of coordinating the activities of the diverse bodies responsible to the United Kingdom Government. The problem for the United Kingdom administration was that, in this region, there were officials of high rank reporting to the Foreign Office, to the India Office, the Dominions Office, the Colonial Office, the Ministry of Information, the Ministry of Economic Warfare, the Ministry of War Transport and the Treasury.

Apart from Britain's own problem of coordinating the work of the various British instrumentalities in the Far East, there was also a problem of local consultation with the Dominions of Australia and New Zealand on matters of common interest to the three Governments. Duff Cooper visited Australia early in November and described to Ministers and members of the Advisory War Council his view that it would be of little help in peacetime to set up an inter-governmental council in the Pacific and his view that it would be best to prepare the skeleton of a Pacific War Council to be established at Singapore should war break out. During the discussion Curtin agreed that an inter-governmental council would not be of much assistance and thought that better results could be expected if a member of the British War Cabinet were appointed to Singapore and an arrangement made that his reports would go to the Dominion Governments at the same time as to the United Kingdom Government. Curtin appeared to be groping towards some sort of machinery for that measure of joint British Commonwealth responsibility in foreign affairs and defence which throughout his earlier political life he had most strenuously

opposed.[1] No standing arrangement for local inter-governmental consultation and no method for reaching local decision on higher policy had been achieved before war broke out.

Another problem which remained to worry the minds of political and military leaders was how and when the decision would be taken to go to war should the occasion arise. Since the A.B.D.A. conversations, the military commanders had been clear on the measures to be taken on the outbreak of hostilities but, short of resisting an attack on British territory or shipping, the commanders would have to await instructions from the United Kingdom before military action could commence. During October some exchange of telegrams took place between Australia and the Dominions Office in regard to the arrangements for inter-governmental consultation in the event of a move by Japan which would necessitate military counter-measures, and, in keeping with these arrangements, the Australian War Cabinet laid down a procedure by which it could be called together promptly in an emergency and by which all the relevant information would be placed before it. Australian representatives at Washington, Tokyo, and Chungking (where Sir Frederic Eggleston[2] had now taken up his post as Australian Minister) were warned to report developments from time to time.[3]

The change to a Labour Government in Australia in mid-October came at a time of rising hope in the possibility of averting war with Japan. There had been perhaps some inattention to foreign affairs during the political skirmishes of September but the Australian optimism was not simply a failure by Australians to read the portents. It also reflected views held elsewhere.

A characteristic assessment of the position was contained in a "Review of the Situation in the Far East", dated 26th September 1941, which was prepared in the General Headquarters, Far East, at Singapore and made available to the Australian Government. This memorandum stated that the present object in the Far East was to avoid war with Japan. This meant that the policy was "to deter Japan from going to such lengths that Britain would be compelled to face the results of war rather than accept the consequences of acquiescence". Since May 1941, it was considered, the situation had changed from being very much in favour of Japan to being very much against her. Among the factors noted was "the more positive attitude" of the United States. The German attack on Russia, coming so soon after Hitler had encouraged Matsuoka to sign the Soviet-Japanese Non-aggression Pact, was considered to have confused the minds of the Japanese rulers and the turning of opinion against the Axis had forced Matsuoka to leave the Japanese Cabinet. The Japanese move into French Indo-China had produced so violent a reaction as to warn Japan of the danger of war with the British Commonwealth, the United States and

[1] Advisory War Council Minute 560, 7 Nov 1941.

[2] Sir Frederic Eggleston. 1st AIF. MLA Vic 1920-27; Aus Min to China 1941-44, to USA 1944-46. Barrister; of Camberwell, Vic; b. Brunswick, Vic, 17 Oct 1875. Died 12 Nov 1954.

[3] War Cabinet Minute 1402, 15 Oct 1941 and Advisory War Council Minute 533, 16 Oct 1941.

the Netherlands. Other anxieties for Japan lay in the military alliance between Great Britain and Russia; the improved Allied situation in the Atlantic and Middle East; the "increasing anti-Axis attitude" of the United States; and the "virtual certainty of a military undertaking between the British and Dutch in the Far East".

The British in the Far East appeared to find equal ground for complacency in the belief that it would be "madness" for Japan to embark on war in the south while strong Russian naval, army and air forces existed in the Maritime Provinces and that if Japan chose to attack the Soviet Union—a course which was considered to be more "attractive" for the Japanese—she would not do so until she had clearer prospects of a quick success, for she would not stand up to a long blockade by the Allies and fight a war against Russia at the same time. Therefore, at the end of September, the British military estimation of the Far Eastern situation was:

> The Japanese must be uncertain whether or not Germany is going to bring Russia to terms before the winter. Even if Russia collapsed, the time that would elapse before the Japanese could disengage from the north would be considerable. As the weather in the South China Sea area between November and February inclusive is bad, it is highly improbable that Japan can be contemplating war in the south for some months.
>
> Japan is now concentrating her forces against the Russians and cannot suddenly change this into a concentration in the south. Our view is that she must therefore be anxious to avoid a war in the south in the next few months. She is consequently now susceptible to diplomatic pressure. Our strategic position would be greatly improved by a Japanese withdrawal from French Indo-China and we should now consider carefully whether, in conjunction with the United States of America, we could apply sufficient diplomatic pressure to cause it.[4]

Page, in the course of his journey to Malaya and across the Pacific and United States to London to take up his duties as accredited representative to the British War Cabinet also found encouragement. At a meeting in Singapore on 29th September he discussed the abovementioned "Review of the Situation in the Far East" with the Commanders-in-Chief Far East and China, Mr Duff Cooper, the Governor of the Straits Settlements, the British Ambassador at Chungking and the British Minister at Bangkok. By implication, the meeting accepted the reading of the situation which was contained in the "Review" but proceeded to express the "emphatic opinion" that the only real deterrent to further Japanese aggression would be a British fleet based on Singapore and in the absence of this fleet there was little doubt that Japan would be able to strike at her selected moment. The sense of urgency was modified in a further paragraph: "We feel sure that everything is being done to make provision for this requirement as soon as ships can be spared from other theatres which at the moment are active but we would stress the propaganda value of even one or two battleships at Singapore". Their particular recommendations included diplomatic

[4] Page Papers file 1 (a), No. 4. (The Page Papers are a series of documents assembled by Sir Earle Page in connection with his mission to London in September 1941, and deposited by him with the Commonwealth Archives at Canberra.)

measures side by side with military reinforcement and indicated a continuing faith in negotiations and in warnings.[5]

An equally hopeful picture was gained by Page from General MacArthur, commander of the United States Army Forces in the Far East, when Page saw him at Manila on 6th October. Japan was facing a critical situation, said the General. She was over-extended. Japan, in the fifth year of war with China, needed a long period of recuperation before she could undertake another major war. On the northern flank she was threatened by Russia. In the centre she was held by China and could neither go forward nor back. In the south she was confronted by a combination of major powers and the possibility of being involved in a war which might mean her extinction as a major power. She was allied with a major land power which was unable to bring any help to her. Japan had gone to the limit of her southward expansion if she wished to avoid war. Under present conditions the Allies could successfully resist further Japanese exploitation southward. During the present lull defences should be increased but not at the expense of more active fronts.[6]

In Washington on 20th October Page learnt of the reinforcement of the Philippines and plans for building up air strength and developing land forces so that, by early 1942, the safety of the Philippines would be ensured and, to quote General Marshall, the American forces would "constitute such a serious menace to Japan that she would be forced out of the Axis".[7]

This was the characteristic picture being presented to the Australian Government during October both from the United States and the United Kingdom.

A telegram received by Curtin from Churchill on 26th October expressed the view that Japan would not run into war unless or until Russia was decisively broken. The Russians were still resisting strongly; the winter was near. Even if Russia was broken Japan might wait for the promised invasion of Britain in the European spring of 1942 before attacking. Meanwhile, "in order further to deter Japan", the newest battleship, the *Prince of Wales,* was going to join the *Repulse* in the Indian Ocean and, as soon as they were ready, the four "R" battleships would be moved to Eastern waters.[8]

Apart from these heartening assurances of growing power to deter Japan, there were two lesser elements working in the Australian Administration. The new Cabinet and the new Minister for External Affairs, though having the advantage of previous membership in the Advisory War Council, were new to the job and, with this newness, enjoyed a marked con-

[5] Page Papers, file 1 (a), No. 6.

[6] Page Papers, file 1 (a), No. 7. Page's visit to Manila and to Washington came shortly after the United States General Staff had changed to a view that it was possible to establish in the Philippines "a force not only sufficient to hold the islands but also, and more important, strong enough to make it foolhardy for the Japanese to carry their expansion southward through the China Sea". See Henry L. Stimson and McGeorge Bundy, *On Active Service in Peace and War* (1947), p. 388. Page collected the spray from this wave of optimism.

[7] Page Papers, file 1 (a), No. 9.

[8] Churchill to Curtin, 25 Oct.

fidence in their own diplomatic skill. Secondly, they had, by reason of a greater admiration of the Soviet Union, a ready faith that the Soviet Union should be a major factor in the Far Eastern events and that, if she had not so proved up to date, it was probably because she had not been handled properly by Great Britain and the United States. Both elements, though in themselves not decisive, tended to reinforce a belief in the possibility of the success of a diplomatic approach to Japan.

Perhaps the mood of the new Government can be most graphically illustrated by their attitude to the expeditionary forces—a question on which there was subsequently a certain amount of public misrepresentation. At that stage there was no question of the return of the A.I.F. to Australia but rather, as already indicated, the trend of thought was that, if security could be assured in the Far East, the contribution of Australia overseas could be maintained. Early in November Curtin, announcing that Blamey would return to Australia for consultation, made it clear that he would return to the Middle East after the consultations and that there was no suggestion that the A.I.F. might leave the Middle East. In Parliament he said categorically on 5th November, that the Government had no intention of recalling the A.I.F.[9] On the same date the Minister for the Army said that the decision to send the Armoured Division to the Middle East still stood.[1]

As late as 18th November Blamey, in discussion with the War Cabinet, clearly still had it in his mind that the 8th Division, then in Malaya, would eventually join the rest of the A.I.F. in the Middle East as originally arranged and said that he would prefer it to be serving there. The War Cabinet, however, decided that "no action should be taken at the present juncture for the transfer of the 8th Division from Malaya" in view of "the present Far Eastern situation and the negotiations now in progress for United States cooperation in Far Eastern defence".[2] As late as the 26th November, the War Cabinet took decisions for the reinforcement of the Middle East and plans to complete the Armoured Division for service in the Middle East, which make it clear that it still had in mind the maintaining of the military commitments of its predecessors.[3]

The Curtin Government also maintained a decision of the Menzies and Fadden Governments in regard to the relief of the 9th Division at Tobruk and the reconcentration of the A.I.F. as a single force, and in doing so showed no marked change of attitude on higher policy in regard to the nature of the Australian war effort.[4] Thus the Curtin Government, when it had shaken down into office, approached the Far Eastern events at the

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[9] *Digest of Decisions and Announcements*, No. 4, p. 3.

[1] *Digest of Decisions and Announcements*, No. 4, p. 6.

[2] War Cabinet Minute 1518, 18 Nov 1941.

[3] War Cabinet Minute 1520, 26 Nov 1941.

[4] War Cabinet Minute 1404, 15 Oct and Advisory War Council Minute 534, 16 Oct 1941. In view of suggestions made by Churchill in *The Second World War*, Vol III, pp. 367-72, regarding differences in the way in which Menzies, Fadden and Curtin handled this question, a closer examination of the withdrawal from Tobruk is given in Appendix 10. The military circumstances and consequences of the decision are discussed in the third volume of the army series.

beginning of November with confidence and some hope and had not yet found occasion to take exceptional measures in anticipation of an early crisis.

A change of Government in Japan in mid-October brought the Minister of War, General Tojo, to the Premiership but, although the expectation was that the new Ministry was likely to be stiffer and more narrowly bent on war than the Konoye Cabinet, the new Foreign Minister, Mr Togo, immediately told the United States that Japan wished to continue conversations and hoped to reach an agreement for peace in the Pacific.

In Washington, from 28th October onwards, Ambassador Nomura proceeded with conversations with Hull. The fact that these conversations were proceeding was perhaps more clearly seen by the Australian Government than any other development in the Far Eastern situation.

In order to see the Australian diplomatic activities in the Far East during November in the perspective of world events it is necessary to digress to consider certain elements in United States diplomatic activity during the same period. The new Australian Government looked to the United States for diplomatic leadership but appreciated imperfectly the way in which American leaders were looking at the same series of events.

One point which Australia did not fully appreciate was the strength of the American official view that danger in the Atlantic was the chief danger. The transfer of naval units from the Pacific Fleet to the Atlantic in May 1941 had indicated such a view, but other information on the point seems to have been unknown in Australia or overlooked. A second point was that Australia did not loom as large in American calculations about the Pacific as Australia thought she did—certainly not before the fall of the Philippines in 1942. A third point, disclosed in the Pearl Harbour investigation, is that from early November the United States Secretary of State and the United States Cabinet could have had no illusions, on the information before them, about the prospects of reaching a composition with Japan or of averting war in the Pacific.[5] A fourth point was the considered view of the American service chiefs that it was beyond American capacity to conduct an unlimited strategic offensive against Japan in the Western Pacific and that the only current plans for war against Japan in the Far East were to conduct a defensive war.[6] Australia had rated American power much higher, although her misapprehension was in part due to the failure to appreciate that the basic military policy and strategy to which the United States service chiefs and the President were already working made the defeat of Germany the primary objective and rejected the unlimited offensive against Japan because it would greatly weaken a combined effort in the Atlantic against Germany. In the light

[5] Navy Department, Washington: *Narrative Statement of Evidence at Navy Pearl Harbour Investigations before Admiral T. C. Hart, U.S.N., the Navy Court of Inquiry and Admiral H. Kent Hewitt, U.S.N.* See also: *Memoirs of Cordell Hull,* Vol 2, Ch 77.

[6] *Estimate concerning the Far Eastern situation* prepared for the President by the Chief of Naval Operations and Army Chief of Staff, 5 Nov 1941. The slow rate at which the United States would be able to develop an offensive against Japan had been discussed in print in America for years. There is no sign that any information on this point was known among those responsible for political decisions in Australia.

of what has since been disclosed, some of the diplomatic activity of Australia during November 1941 may now appear irrelevant but it can only be fairly judged against the Government's ignorance or misunderstanding of the elements of American policy mentioned above.

Replying on 4th November to communications received from London on 24th October, the Curtin Government, supported by the Advisory War Council and after consultation with the New Zealand Government[7] expressed the view that defensive measures to deter Japan from aggression should not close the door to an understanding with Japan so long as no vital interests were sacrificed during the course of any discussions and therefore that any warning to Japan should reiterate the willingness and desire of the British Commonwealth to seek a general settlement in the Pacific which protected the rights of all parties.

The Australian message also revealed continued faith in the value of a warning as a deterrent to Japan and a continued expectation that if Japan struck soon she would strike against the Soviet Union. Japan should be warned, the Australian Government said, that any attack by Japan on Russia would be resisted by force by the British Commonwealth, irrespective of the attitude of the United States of America. Every endeavour should be made to obtain the maximum collaboration of the United States, the Netherlands and China in the event of a Japanese attack on Russia but the warning to Japan should not be conditional on reciprocal undertakings by these powers. A reciprocal guarantee should be sought from Russia that if Japan attacked southward Russia would declare war on Japan but the warning to Japan should not be conditional on such an assurance.[8]

In London, on 4th November, Page and Bruce were completing the case which Page was to present on the following day to Churchill and to the British War Cabinet for strengthening the defences of Singapore. The case, strongly prepared, still reflected the view that war in the Far East was avoidable, that pressure could still be put on Japan and that negotiations might succeed. The argument, in effect, was to strengthen Singapore, deter Japan, maintain the present diplomatic advantage and then reap such incidental benefits as facilitating aid to Russia through Vladivostock, expediting supplies to Britain from Australia and Eastern countries, freeing Australians from home defence for overseas service, improving morale and gaining a useful psychological effect on the peoples of the Far East. More remotely, it was suggested that if such action did not deter Japan then Britain could fight at points chosen by her and not wait until Japan attacked, but the general tone of the case, which was naturally influenced by the audience to which it was to be directed, was still influenced by the confidence that Japan could be deterred and the hope that it might be possible without war to force Japan to withdraw from Indo-China and

[7] Prime Minister to Prime Minister of New Zealand, 30 Oct 1941.

[8] Prime Minister to Secretary of State for Dominions, 4 Nov 1941. Repeated to the Prime Minister of New Zealand No. 456.

possibly under pressure, to make a satisfactory arrangement with China.[9]

During the same week a further indication of Australian hopes was given by a War Cabinet decision of 7th November, communicated to the United Kingdom on the 8th, to the effect that it was of the "utmost importance" to give every possible assistance to China with the idea of checking Japan. While American cooperation was desirable, British action should not be delayed merely on account of American hesitancy. The Australian share in the assistance to China was to give permission to Australians to volunteer for a Buffalo Squadron for China to be formed by the Commander-in-Chief, Far East.[1]

The meeting of the British War Cabinet on 5th November, at which Page stated the Australian case for strengthening Singapore by locating a battle fleet there and despatching substantial air reinforcements, agreed only to hold a special meeting to discuss the matter a week later. The case presented by Page on the 12th rested first on the value of increased strength as a deterrent to Japan and second on the value of "a resolute and determined line" in ensuring the cooperation of the United States. He still envisaged the possibilities that the Japanese attack might come on Russia, on China, on the Netherlands East Indies or on Thailand and the necessity in each case for Britain and Australia to take action against Japan. With regard to cooperation with the United States he expressed some doubts about the United Kingdom's insistence that the United States must always take the lead and thought that if Britain were more resolute America would recognise the necessity of coming to her aid. The whole case was drawn together by urging an increase in the air strength of Singapore.[2] The information given to Page at this meeting and transmitted by him to Australia was that if Britain found herself at war with Japan before Christmas and the United States remained neutral the Japanese would be able to move southward a much stronger force of capital ships than Britain could assemble. By February 1942, however, the Royal Navy would have the *Prince of Wales,* a battle cruiser (the *Repulse* or *Renown*) and the battleships *Resolution, Ramillies, Revenge* and *Royal Sovereign* in the Far East. A complete understanding had not yet been reached with the United States naval authorities. Further naval conversations with the Americans were planned to be held in the Far East in December. The Philippines were being strengthened. It was also represented to Page that the United States Naval Staff contended that it was unnecessary to maintain as many cruisers in Australian and New Zealand waters as the two Dominions were doing. Only 200 aircraft were in Singapore, although it was now planned to maintain 336 there. The Air Staff shared the view which had been pressed by Australia that a powerful striking force should be added and would give effect to it as soon as possible. If it became necessary to reinforce Singapore by medium bombers this could only be done at the expense of the Middle East. The garrison of Singapore

[9] Page Papers, file 1 (a), Nos 12 and 13.

[1] War Cabinet Minute 1482. Telegram from Prime Minister to Secretary of State for Dominions, 8 Nov 1941.

[2] Page to Prime Minister, 14 Nov 1941.

was "something over 63,000 together with 14,000 volunteers". Shortages in field guns and anti-tank guns were admitted.[3]

At the meeting Churchill developed the view that the correct strategy was to move armed strength from theatre to theatre as the situation changed. It would be a strategic error to move forces to the Far East, "possibly to remain inactive for a year", which were now actively engaged against the Germans and Italians. We should maintain a stiff attitude to Japan but not become involved in war with her unless we had the assurance of United States participation. He did not believe that it was in Japan's power to invade Australia but he renewed his assurance that if Australia were "gravely threatened" Britain should cut her losses in the Middle East and move in great strength to Australia's assistance. Such a decision, however, was not one to be taken lightly. After referring to the difficulties of President Roosevelt, he declared it would be a great error to press the President to act in advance of American opinion.[4]

It was felt in some quarters that Page had allowed the question of reinforcement of Singapore to become entangled with the political questions related to the attitude of the United States but, if any criticism lies against him on that score, it also lies against the Australian Government in general. For the greater part of November there was an even more extensive confusion in Canberra between what was being done as a defensive measure and what was being done for the improvement of diplomatic relations.

In mid-November Evatt's assessment of the position was that the danger of armed aggression from Japan might reach its maximum in the period before the British battleships reached Singapore and that it was important both to gain time and to prevent Japanese suspicions from culminating in a desperate overt act by her. To this end he suggested to Britain that, while precipitate intervention in the American-Japanese talks might be harmful, some good might follow if Australia were to indicate her special interest in the talks and her intention to assist as much as possible in their satisfactory outcome.[5]

In a message of 16th November, Bruce, who, as on other occasions, appeared to be trying to drop a hint to the Australian Government that it was on the wrong track, raised the questions whether the conversations were merely designed to gain time or whether they were a genuine attempt to find a basis for a wide settlement in the Far East; if the atmosphere had changed when did this occur and what were the reasons for it; if in fact the United States was now seriously discussing with the Japanese the broad lines of a comprehensive settlement in the Far East what were these lines and what were the prospects of success.[6]

On the 17th November the American-Japanese talks entered their final stage with the first conversation between Hull and Kurusu. On the follow-

[3] Page to Prime Minister, 16 Nov 1941.
[4] Page to Prime Minister, 16 Nov, received 18 Nov 1941.
[5] War Cabinet Minute 1482. Telegram from Prime Minister to Secretary of State for Dominions, 8 Nov 1941.
[6] Bruce to Prime Minister, 16 Nov 1941.

ing day a suggestion was made by the Japanese envoys for a temporary arrangement, or *modus vivendi,* and on the 20th handed to Hull a six-point proposal for the terms of such an agreement. To Hull this was clearly unacceptable from the start both because of its terms and because intercepted messages from Tokyo had indicated that Japan was moving to the final stage of negotiation.

To Canberra, however, they presented an opportunity. The reports received from Washington stated that proposals had been left with Hull by the Japanese Ambassador and that Hull had discussed them with the British, Chinese, Netherlands and Australian representatives in Washington. It was the first time for months, said Casey, that countries other than the United States had had anything tangible to work on and, although the proposal was unacceptable in itself it might, with modification, be made acceptable to all parties. If these negotiations failed war would not be far off and he added that he had been reliably informed that Kurusu had been instructed to obtain results one way or the other by 27th November.[7] The Australian Government quickly saw an opportunity, too, and encouraged Casey to pursue "discreetly" this chance to intervene in the conversations. The primary consideration was to prevent the breakdown of the talks. Evatt's comments mingled the substance of a Pacific settlement with the immediate concern to defer any Japanese attack. He looked to the possibility that from the Hull-Kurusu talks might emerge a suggestion for a conference of Pacific countries but at the same time he also looked to the "opportunities for considerable discussions, amendments, counter-proposals" and the further valuable time which might be gained thereby.[8] Casey warned him in reply that the Japanese were unlikely to allow themselves to be subjected to such delays and recalled the earlier reports he had made that perhaps only a few more days remained and the "gloomy view" of the prospects which Hull had given.[9]

The United Kingdom had also made some comments on the Japanese proposals and on the counter proposals which Hull might put forward, at the same time leaving the handling of the negotiations to him. Australia was informed of this action.[1]

The Australian Government was strongly of the opinion that Hull should not reject the Japanese proposals outright, that he should make counter-proposals and that he should seek a temporary *modus vivendi.* Behind this view was an opinion held by Evatt that everything possible must be done to avoid a breakdown of the talks, that a "rigid" American attitude was driving Japan towards a war of desperation, that the Soviet Union should not be overlooked and—lacking information which the Americans had about Japanese intentions—that "the Japanese are clearly anxious to avoid war themselves".[2]

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[7] Casey to Minister for External Affairs, 24 Nov 1941.

[8] Minister of External Affairs to Casey, 25 Nov 1941.

[9] Casey to Minister for External Affairs, 25 Nov 1941.

[1] Secretary of State for Dominions to Prime Minister (two messages), 24 Nov 1941.

[2] Comments made by Evatt on telegrams from Page in External Affairs files. Not only did the Australian Government lack the information which the Americans had obtained in November

In a telegram to Casey on the 26th on the hope for a *modus vivendi,* Evatt repeated suggestions that, as Japanese aggression in Indo-China had occasioned economic restrictions against Japan, those restrictions might be lessened in return for Japanese withdrawal from Indo-China provided that Japan gave a general guarantee against Japanese aggression elsewhere and entered into an understanding to negotiate a subsequent Pacific settlement at a later time. "On the whole this would be a Japanese diplomatic retreat, but it should be possible to give Japan a chance to retreat without inflicting unnecessary humiliation." He added that his suggestion was not appeasement but "merely strategical expediency at a crucial period in the war".

The earlier talk in Washington of the possibility of a *modus vivendi* had greatly scared China, who feared that any form of Japanese-American settlement would mean that she would lose the measure of American support she had received in the past and any hope of armed American support if the Japanese attack on her should be intensified. A protest by Chiang Kai-shek direct to Roosevelt had the effect of causing Hull to withdraw his proposals and make fresh proposals demanding complete Japanese withdrawal from China—a demand that killed any prospect of agreement. In this, too, Australia became active trying to overcome Chinese objections so that the talks might continue. On 29th November, following a suggestion made by Menzies in the Advisory War Council,[3] the Government informed Eggleston in Chungking that it was clear that the Washington talks would break down as a direct result of Chinese intervention, which apparently had been designed for the very purpose of preventing any agreement, and suggested to Eggleston that he point out to the Chinese the possible danger that, having prevented agreement, China might have to face an accentuated Japanese attack without being assured of American armed support and urge on them the desirability of obtaining some assurance from the United States of armed support if Japanese attacks increased. The Australian attitude to China was well summed up in some words ascribed to Curtin: "China does not want to be treated as a pawn in this game, but neither does Australia".[4]

The suggestion made by Menzies in the Advisory War Council contained the following points for communication to Chiang Kai-shek: (a) our

about Japanese plans, but they had received from their own representatives information to encourage hope in peace. K. Officer, Chargé d'Affaires, Tokyo, reported on 22nd November: "The Government's attitude all goes to confirm the view that they are genuinely anxious to secure agreement with United States and to avoid at present anything that might prejudice discussions in Washington . . . . One important question is how long the Government can hold their ground against the extremists and continue discussions". On the 29th: "Balance of opinion is that Government will allow some time for further consideration of these although it is believed military are pressing for showdown with a view to early operations". On 2nd December: "My appreciation is . . . the Government realise that, as the effect of freezing, Japan's capacity to attack is beginning to decline. The Government is genuinely desirous of avoiding a conflict with the United States and consequently will go some considerable way to secure an agreement with the United States. The principal difficulty will be that the Japanese Government must save their face with regard to their position in China but there should be wide grounds of bargaining as to the details of the eventual evacuation". It is evident that up to 7th December, when Officer reported a local belief that the talks would continue, the Japanese public and, with them, the foreign representatives were being hoodwinked. The advice from Chungking as late as 2nd December was that a strong attitude to Japan by Britain and America was the best method to check the Japanese and that any signs of weakening would produce an immediate Japanese advance. Eggleston reported the Chinese belief that Japan was not in a position to conduct large-scale operations.

[3] See Advisory War Council Minute 573, 28 Nov.

[4] Minister for External Affairs to Eggleston, 29 Nov 1941.

settled policy is to do nothing to prejudice the interests of China; (b) the present negotiations with Japan are of great value, and they should continue, in view of the importance of gaining time; (c) it may appear from the course of the negotiations that Chinese interests are not being safeguarded; (d) this, however, is not so, as the greatest possible advantages accrue to China by reason of the fact that the United States are firmly in the middle of the negotiations and they are becoming more and more involved and in the long run this is the best thing that could happen to protect the interests of China.[5]

Already, on the afternoon of the 26th, however, Hull had handed to the Japanese representatives a document detailing the fundamental principles on which a general Pacific settlement must be based but containing no reference to a *modus vivendi*.[6] A report received from Casey on 28th November, following a further visit to Hull, spoke of considerable Japanese military activity in Indo-China and an expectation of further aggression by Japan, possibly within three or four days.[7]

As a last hope, on Saturday the 29th Casey, who had also talked by telephone with Evatt earlier in the day, proposed an approach to the Japanese Ambassador through a third party offering to act as an intermediary for a resumption of the talks, but over the week-end the actual dangers in the Kra Isthmus dominated the situation and Curtin intervened and suggested that, in view of the changing situation, Casey should not proceed with the proposal.[8] Before the message from the Prime Minister had been delivered, however, Casey had received from Kurusu an invitation to a private talk and had visited him at the Japanese Embassy on the morning of the 30th. He offered to act as intermediary and to pass on to Hull any proposal that Kurusu might care to make in order to have the conversations resumed. Kurusu had no proposal to make other than that discussions should be taken up again on the limited Japanese proposals. Casey informed Hull of the conversation on the evening of the same day.[1] In the circumstances his action was approved in Canberra.[2] The effort had not been unwelcome to the United States and Hull had been assured of Australia's complete trust in his handling of the situation.[3]

Hull did indeed see Kurusu once again, at the request of the Japanese on 1st December, but even before the talk, Casey reported, he clearly had no hope that the situation could be saved as the Japanese were already on the march.

By this time, even while making the last efforts to keep the parties talking, Australia was beginning to see the situation more starkly as that of impending war and to think less of possible deterrents and diplomatic

[5] Advisory War Council Minute 573, 28 Nov 1941.

[6] Casey to Minister for External Affairs, 26 Nov (received 27th).

[7] Casey to Minister for External Affairs, 27 Nov.

[8] Casey to Minister for External Affairs, 29 Nov (received 30th), and Prime Minister to Casey 30 Nov 1941.

[1] Casey to Minister for External Affairs, 30 Nov 1941.

[2] Minister for External Affairs to Casey, 1 Dec 1941.

[3] Casey to Minister for External Affairs, 30 Nov 1941.

successes than of what would happen when war came. On 29th November Curtin, in a message to Australian representatives in London, Washington and Chungking, expressed his concern at the probability of the immediate breakdown of the Washington talks and his view that the talks should be prolonged. Even now, he said, it might not be impossible to achieve that end, but he passed from that hope to a consideration of the impending war and revealed the core of Australian anxiety. Would the lead given by the United States in talking be followed by a similar lead in armed defence against aggression? There seemed to him to be a grave danger of further armed aggression by Japan without any armed intervention by the United States. Curtin again raised the direct and practical question which Page had raised in London. What would be done in case of Japanese aggression against either Russia, Netherlands Indies, China or Thailand? He agreed with the view ascribed to Churchill that elasticity was desirable but, in view of impending events, thought Australia should know what Britain would do in each case either in the absence of United States armed support or with the assistance of the United States.[4]

Curtin's telegram had rather more urgency about it than his observations at the discussions in the Advisory War Council on the 28th from which the telegram had emanated. After recording that Evatt had expressed the view that an attempt should be made to determine in what contingencies Britain would go to war and whether her action would be conditional on participation by the United States, the Council minute reads:

> The Prime Minister said that the whole question was closely related to the progress of the Japanese-United States conversations which had just been discussed by the Council. He could understand the reluctance of the United Kingdom Government to do anything to anticipate the outcome of the conversations. The United Kingdom is making a major re-disposition of naval forces by sending a battleship force to Singapore; the United States are cooperating in a very effective way by establishing an air route between the Hawaiian Islands and the Philippine Islands and naval plans for the disposition and employment of the United States, British and Dutch naval forces are to be formulated at the forthcoming conferences at Singapore and Manila. Whilst there was no political agreement it was clear from the above that considerable progress had been made in the development of cooperation on the military level between anti-Axis countries in the Pacific.

It was after further discussion that the Council made the recommendation which led to Curtin's telegram of the 29th.[5]

This approach was similar in intention though wider in scope than the attempts earlier in the year to mark the limits of Japanese advance and define a *casus belli*. Bruce, in reply, reviewed the talks, revealing incidentally the current view that the breakdown had come through diplomatic mistakes and not because Japanese war plans had made success hopeless, and expressed doubt whether it would now be possible to resume them. Therefore the question of what action would be taken in various contingencies became of the utmost importance and Page would immediately take up this matter with the War Cabinet.[6]

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[4] Prime Minister to Bruce, 29 Nov 1941.
[5] Advisory War Council Minute 574, 28 Nov 1941.
[6] Bruce to Prime Minister, 30 Nov 1941.

On the same day Australia was informed by the Dominions Office of various indications that Japan was about to attack Thailand and seize strategical points in the Kra Isthmus and that, in Washington, Halifax was to ask the United States Government for its views on action to forestall the Japanese.[7] Later in the day they were told of a Netherlands East Indies report of a Japanese concentration at Palau. They were informed also of a suggestion by the Netherlands that the British, Dutch and Americans might associate themselves in the declaration of a defence zone, west and south of a line from Davao in the southern Philippines to Waigeo Island off western New Guinea and continuing east along the Equator; it was suggested that no vessels might enter this zone without notifying the Netherlands naval authorities.[8]

Curtin's reply to the first of these messages was to the effect that Australia would still like to know what Britain intended to do, with or without United States participation, in the event of a Japanese attack on any one of the four points mentioned. He also recapitulated the information which Canberra had received to the effect that there was likely to be a brief respite before a Japanese attack in the tropics because the commander of the tropical expeditionary force was still in Japan and because the attack would not come until after the breakdown of the Hull-Kurusu talks; that in the event of a Japanese attack on Thailand no definite understanding of armed support from the United States could be anticipated; and that Thailand regarded cooperation with Britain in the region of the Kra Isthmus with such suspicion that, if Britain were to occupy the Isthmus before an actual attack by Japan, Thailand would oppose the British with force. He suggested further efforts to obtain a definite statement on the attitude of Thailand.[9]

The Australian War Cabinet met on Monday, 1st December. Regarding the immediate threat to the Kra Isthmus, its view was that, as the plain intention of a Japanese attack on Thailand would be to establish bases from which to attack China, Burma and Malaya, Brooke-Popham should be given authority to move troops into the Kra Isthmus if reconnaissance definitely established that a Japanese force was approaching the Isthmus. Every attempt should be made to obtain the prior consent of Thailand, but if consent could not be obtained action would be justified without consent. The United States should be advised of British intentions and asked, at least, whether she had any objection to the British proposals. The minute concluded:

> In view of the most valuable initiative and assistance from the United States in the talks with Japan we think that the question of prior warning to Japan or other similar diplomatic action should rest with the United States. We again repeat our opinion that, even at this late stage, a further endeavour should be made to encourage the United States to establish a *modus vivendi* with Japan which can be made satisfactory to China as well as to the other powers concerned.[1]

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[7] Secretary of State for Dominions to Prime Minister, 30 Nov 1941.

[8] Secretary of State for Dominions to Prime Minister, 30 Nov 1941.

[9] Prime Minister to Secretary of State for Dominions, 30 Nov 1941.

[1] War Cabinet Minute 1524, 1 Dec 1941.

These views were at once communicated to the United Kingdom.[2]

At this point a divergence of view between Churchill and the Australian Government appears. When Page and Bruce waited on Churchill on the morning of 1st December to press the Australian case for a definite understanding on what action should be taken in various prospective situations, they were told that the British attitude was to "march in line with the United States of America". In the event of Japanese aggression in any of the four areas mentioned Britain should not anticipate American action but immediately support it. Churchill's reason was that American opinion would react favourably to a war which America had entered in defence of her own interests but would be inclined to be antagonistic to the idea of entering a war into which Britain had already entered and for the purpose of coming to the assistance of Britain. If there were an attack on British territory by Japan Britain would immediately declare war on Japan but otherwise would wait for America. The Australian view was that the British nations should act with or without American assistance.[3]

On the advice of Bruce, who communicated the results of the interview with Churchill, Curtin immediately enlarged and gave precision to the Australian view. On this occasion he placed before the United Kingdom five prospective cases of Japanese aggression. First, if there were an intensification of the attack by Japan against China, especially in Yunnan and on the Burma Road, we should continue to give China all support short of declaring war, but should otherwise be content to follow the United States lead and not declare war against Japan unless United States armed intervention was certain. Second, if there were a Japanese attack on Thailand, we should not give armed support without an assurance of active cooperation from the United States, except that in the Kra Isthmus, which was an integral part of the defence of North Malaya, we should follow the advice of the competent military authority and occupy the region if an armed threat to the Isthmus was definitely established. Third, in the case of a Japanese attack on Russia, there should be a declaration of war by Britain against Japan. Public opinion would not tolerate anything less. This action, however, should be contingent on a Russian undertaking that if Britain were involved in war against Japan in the Pacific, due to southward aggression, Russia would consider herself at war with Japan. Such a reciprocal arrangement, if suitably notified to Japan, should in itself be a valuable deterrent against Japanese aggression. Fourth, Australia felt "very strongly" that an assurance of automatic armed support for the Netherlands East Indies in the case of attack by Japan should at once be given, irrespective of the American attitude. As in the case of Russia there should be a reciprocal undertaking by the Netherlands. Fifth, in the event of a Japanese attack on Portuguese Timor, Britain should declare war irrespective of the United States attitude and the reciprocal understanding which Portugal was willing to enter should be concluded. Finally

[2] Prime Minister to Secretary of State for Dominions, 1 Dec 1941, repeated to Prime Minister of New Zealand.

[3] Bruce to Prime Minister, 1 Dec 1941.

Curtin again pressed for a decision on each of the five cases, subject of course to alteration in the event of change in the international or strategic situation.[4]

From the surrounding Australian documents, the divergence of the Australian view from that of Churchill appears to have been solely a divergence over the handling of the situation created by the uncertainty whether the United States, which had been accorded the initiative in negotiation, could be depended on for the initiative in armed resistance. The irony of the situation was that, while the Allies and America were qualifying their answer to every prospective problem and studying the refinements in their support for each other, Japan had already made a clear-cut decision that all, except Russia, would be her enemies and was undeterred by the prospect.

The final stage of the diplomatic measures to prevent war was initiated by the delivery on 2nd December to the Japanese representatives in Washington of a message from Roosevelt asking what were the actual reasons for the recent movements of Japanese forces and what were the intentions of the Japanese Government. The information received in Canberra from Washington was such as to justify higher confidence in American firmness. Australia did not seek to play a direct part but kept in touch with the discussions between Halifax and the President. Casey was instructed to keep a close watch on the position to ensure that no honorable chance of averting war was overlooked. "In doing this our obligations to the President for his leadership should be stressed. Will you express the hope of this Government that he perseveres with his noble task?"[5]

The reply from the Japanese to the President's enquiry was considered unsatisfactory and the President decided to send a message to the Emperor and if no reply was received to issue a warning. Australia in communications with the United Kingdom concurred in this procedure.

On 5th December the United Kingdom proposed that Britain should go beyond previous oral assurances to the Dutch and propose a military understanding by which each party would undertake to cooperate immediately to the fullest extent of its available resources in the event of the other party being forced to take military action to repel an attack upon any of its territories in the Far East.[6] The Australian Government approved, and recalled that it had always stood for a reciprocal undertaking with the Netherlands and had already given air support to the East Indies.[7]

On 5th December, the United Kingdom informed the Dominions that it had now received an assurance of armed support from the United States (a) if Britain found it necessary either to forestall a Japanese landing in the Kra Isthmus or to occupy part of the Isthmus as a counter to the Japanese violation of any other part of Thailand; (b) if the Japanese

[4] Prime Minister to Secretary of State for Dominions, 2 Dec 1941.
[5] Minister for External Affairs to Casey, 6 Dec 1941.
[6] Secretary of State for Dominions to Prime Minister, 5 Dec 1941.
[7] Prime Minister to Secretary of State for Dominions, 6 Dec 1941.

attacked the Netherlands East Indies and Britain at once went to the support of the Netherlands; (c) if the Japanese attacked British territory. Accordingly the Commander-in-Chief had been instructed to move into the Kra Isthmus if reconnaissance established the fact that escorted Japanese ships were approaching the Isthmus or if the Japanese violated any other part of Thailand, and to put into effect the plans agreed to with the Dutch if the Japanese attacked the Netherlands East Indies.

Thus during November the Australian Government had been chiefly interested in preventing a breakdown of the talks, especially in the period before the arrival of British battleships at Singapore and the Indian Ocean, and in encouraging the United States to keep the diplomatic initiative on behalf of the democratic powers. They had also sought a determination of what should be done in the event of various types of Japanese aggression, and, behind their activities had been the hope that, if peace moves failed, the United States would also give leadership in armed resistance to Japan. Some criticism might lie against the Australian Government for having misread the situation. For nine months the United States Secretary of State had been conducting negotiations with Japan but by early November the talks had reached a point where any prospect of a peaceful settlement had disappeared and where Japan's intention to make war was clear. From the information now available but not then available in Canberra, the continuation of the talks by Kurusu during November and up to the eve of Pearl Harbour was an act of Japanese deception. Yet both the British and Australians appeared to assume that they had the diplomatic advantage, that the talks could be continued, and that other powers might intervene in them with a prospect of their leading to a general settlement in the Pacific.

In part, the Australian purpose was to buy time. That need had also been appreciated already by the United States and there was little occasion to urge the United States to keep on talking, for the administration was well aware that their own forces needed more time in the Pacific and that it was against the temper of their own people that any abandonment of peace should come first from America. Moreover the Australian purpose of buying time while promised reinforcements were arriving was incompletely served, for the Government's major interest during November was on negotiation and the discovering of means for a settlement rather than on reinforcement. While there was no formal acceptance of the promised British aid as sufficient, there certainly was the acquiescence of silence in the arrangements that were being made and, in view of later developments and later Australian policies, it should be noted first that during November Australia appeared to accept, as the most satisfactory arrangements that could be made by Britain in the circumstances, the British promises for the naval reinforcement of Singapore; second, that Australia herself had not yet made any major change in the nature of her own contribution to the war effort or in preparations for war in the Far East; third, that already Australia, recognising the limits of British aid, was looking chiefly to the United States forces if war should break out with Japan. Australia,

though still a little anxious about whether America would fight, apparently rated American power in the Pacific very high, and also seemed to be imperfectly aware or to misunderstand the American strategic view that gave first importance to war in Europe and the Atlantic and saw their role in any war in the Pacific as being defensive for a start.

Furthermore, it is worth noting that, at that time, the Australian Government still saw the main defence of Australia in the event of war with Japan as a defence remote from the coasts of Australia. On 4th December, in instructing the Defence Committee to review the strength and organisation of the three services to meet probable forms of attack on Australia, the War Cabinet stated the "primary requirement" as "to prevent an enemy from reaching Australia" and the purpose of the review was to see whether men could be taken from the militia to strengthen the navy and air force and help munitions production.[8] In discussing the role of the ships of the Australian Navy a week earlier, the War Cabinet had given special attention to its "vital commitments" in respect of escorting reinforcements, food and supplies to the A.I.F. in the Middle East and Malaya.[9]

The Australian Government and for the most part the Australian public seemed to keep the illusion that the initiative was with Britain and America and that Japan might be persuaded or intimidated. The truth that American capacity was limited to taking a defensive role in a war in the Pacific does not appear in contemporary Australian discussion. The picture seen was rather that if the Japanese were so foolish as to take warlike action they would be intercepted and checked by an Allied counter-move.

During the first week of December the news reported by press and radio to the Australian public made it seem clearer every day that war was coming to the Pacific. There was some contradiction and, even to the last, momentary revival of hope in negotiation but, from about 29th November onwards, the signs became more and more ominous. From 1st December the people read of emergency meetings of the War Cabinet, the summoning of service chiefs, and the postponement of leave for troops. From the 5th they watched the southward progress of Japanese expeditions and speculated where they would strike. They watched impatiently to read of the expected counter-move and of the expected check to Japan.

On the 8th Japan struck with dramatic force at Pearl Harbour and Malaya. Australia was shocked by the vigour and daring of the opening blows. Yet there was no dismay. Singapore was impregnable and the newest British battleships were coming as reinforcements to the Far East. The raid on Pearl Harbour, the exact consequences of which were not known in Australia until months later, was foolhardy. It had made certain what Australians had been hoping and doubting for months—that the United States would fight. Surely some madness had overtaken Japan to challenge so great an enemy with so spectacular an insult.

The event about which there had been recurrent discussion in Australia for more than half a century had at last come. Japan was attacking. "This

[8] War Cabinet Minute 1529, 4 Dec 1941. For details see Chapter 10, pp. 400-1, above.
[9] War Cabinet Minute 1522, 26 Nov 1941, and Advisory War Council Minute 569, 26 Nov 1941.

is the gravest hour of our history," said Curtin. "We have a heavy responsibility. I ask every Australian, man and woman, to go about their allotted task with full vigour and courage."

In a national broadcast later in the day he spoke of the course of discussions. The hands of the democracies were clean. The guilt for plunging the Pacific hemisphere into war was upon Japan, which had chosen the Hitler method and struck like an assassin in the night. Australia would go to battle stations in defence of a free way of living. The efforts of Australians in the past two years must be as nothing compared with the efforts they must now put forward. Let there be no idle hand. The road of service was ahead. Let all tread it firmly, victoriously. The Australian forces were not alone. The United States, Great Britain and her colonies and dominions, the great federation of Russian republics, the Netherlands East Indies and China were associated "in the common cause of preserving for free men and free women not only their inheritance, but every hope they have of decency and dignity and liberty".

"We Australians have imperishable traditions. We shall maintain them. We shall vindicate them. We shall hold this country and keep it as a citadel for the British-speaking race and as a place where civilisation will persist."

CHAPTER 14

RETROSPECT

THE Australian nation had come through two years of war and now faced a sterner test. During those two years she had been mercifully spared any direct and immediate threat to her own continental peace and security. Under the cover of Allied armies engaging the enemy in Europe and the Middle East, and the British Navy keeping hazardous watch and ward over the sea lanes, Australia had time to organise her war effort, to mobilise her resources, to collect her thoughts and to muster resolution. War did not come in one swift destructive blow, as it had come to other small nations—Poland, Norway, the Netherlands, Belgium—but in gradual severity.

Those first two years were precious. The work done during them was a major factor in Australian survival under the Japanese threat. One of the greatest advantages enjoyed by Australia when war spread to the Far East was that many of the initial difficulties and most of the routine tasks of organising a nation for war had already been mastered.

The steeply-rising curve of the war effort at the end of 1941 can be traced through the actual expenditure from all sources on defence and war services from £55,715,000 in 1939-40 to £170,829,000 in 1940-41 and at a rate from July to November 1941 equivalent to £233,532,000 a year.[1] About 420,000 men were directly engaged in the fighting services and munitions production, nearly all of them having been recruited since the start of the war.

Four divisions of the Second A.I.F.—the 6th, 7th, 8th and 9th—were in the field and three of them had seen action. An armoured division was being formed. The total strength of the A.I.F. on 2nd December 1941 was 151,240, of whom 120,569 were overseas actively engaged in the war against Germany and Italy. In addition about 211,000 men had been trained for home defence in the Citizen Military Forces and 132,000 of them were in camp or on full-time duty in Australia. A Volunteer Defence Corps of 50,000 had been formed. The Royal Australian Air Force had a total strength of close on 60,000, of whom 49,000 were serving in Australia and 11,000 overseas. Out of the total enlistments since the beginning of war, about 14,000 were aircrew trainees for the Empire Air Training Scheme. The Navy, with a total strength over 20,000, had over 13,000 men serving afloat.

In proportion to total population, this was equivalent to a mobilisation of 3,000,000 British under arms or 9,500,000 Americans under arms. The actual figure for Great Britain in the middle of 1941 was 3,800,000 under arms and for the United States in the middle of 1943, 9,200,000 under arms.

[1] The planned defence expenditure for 1941-42, prior to the outbreak of war with Japan, was £243,000,000. The actual expenditure for the whole of the financial year 1941-42 was £320,706,000. For comparison, the wartime peak was £562,664,000 in 1942-43.

The Australian armed services had seen action chiefly in the Middle East and Mediterranean and in the air over England. Men of the Second A.I.F. had fought in North Africa, Greece, Crete and Syria and had suffered about 12,880 casualties, including 2,277 dead, 1,275 missing and 5,289 prisoners of war up to 2nd December 1941. The Navy had suffered 868 casualties, including 837 killed. The heaviest loss had been the cruiser *Sydney* late in November in the Indian Ocean in an engagement with the German auxiliary cruiser *Kormoran*. Air Force casualties totalled about 400, of whom 349 had been killed in action. Most of the losses had been in defence of Britain in the air war over northern Europe. Another division of the A.I.F. and Australian airmen were in Malaya but had not yet seen action.

Before Japan attacked, Australia had been afforded time greatly to expand her munitions, aircraft and shipbuilding industries. Since the outbreak of war approximately 35 new government munitions factories and 77 munitions annexes had been built or commenced in Australia. It was estimated that, on the second anniversary of the outbreak of war about 50,000 workers were directly engaged in munitions manufacture and about 150,000 were indirectly engaged.

A memorandum dated 3rd December 1941 and written by Copland in his capacity as Economic Consultant summarised the munitions effort for Curtin as follows:

> All the heavy industries, such as shipbuilding and steel connected with the war effort, have responded to the call for larger output. New industries have been established producing textiles, cables, tool steels, alloys, bearings, chemicals, tinplate, motor and aero engine parts and bodies, gun ammunition, explosives, small arms, A.A. guns, precision instruments, optical munitions, armoured fighting vehicles, cruiser tanks, wireless sets. The spectacular stories of expansion of the Bren gun and aircraft production are familiar. The speed with which these industries have reached mass production stage has amazed even the experts brought out to supervise the expansion. The Australian workman, quite unused to the high degree of precision needed in war goods production has responded magnificently to the intense training necessary to equip him for this task. At the outbreak of war, by far our worst and most fundamental deficiency was in machine tools. We had one manufacturer of lathes, two of power presses and one government machine tools factory. We had relied almost exclusively on overseas supplies and these soon gave out. By the end of 1940 we were practically self-sufficient and had over 30 firms turning out machine tools. The production of munitions in 1940-41 (£33,000,000) is eighteen times that in 1938-39 and is expected to be £76,000,000 in 1941-42. During 1940-41 there were about 40,000 employees in the munitions industry and by the end of 1942 it is expected that about 120,000 will be employed. Defence works—capital expenditure—rose from £1,400,000 in 1938-39 to £7,400,000 in 1939-40; £16,800,000 in 1940-41 and £25,000,000 in 1941-42.

Australian aircraft factories were turning out training aircraft in hundreds both for Australian and overseas delivery and the production of Beaufort bombers had commenced in July. The planned production shown in statements prepared for Curtin shortly after he took office was 270 Beauforts for current orders and 40 a month as the future programme; 500 Wirraways by the end of 1941 and 30 a month thereafter, plus 245 for the United Kingdom in 1942 and 800 during 1942 and 1943; 969 Tiger

Moths on order and 50 a month thereafter; 200 Wackett monoplanes. Gipsy Major engines were being turned out at the rate of 60 a month. The production of twin-row Wasp engines for the Beauforts was starting at the rate of five a week and was to rise to 10 per week in July 1942.

Merchant shipbuilding had been developed to the point at which it had a planned production programme of twelve standard merchant ships a year.

By participation in the Eastern Group Supply Council and by separate undertakings to the United Kingdom, New Zealand and Netherlands, Australia had also accepted some responsibility and adopted procedures for furnishing supplies to her allies. The orders for boots, blankets and items of clothing were in millions.

The most useful achievement in regard to the munitions, aircraft production and shipbuilding industries was, however, less in the actual output than in the establishment of the factories, and the creation of the organisation which made possible rapid expansion in response to the greater demand of 1942 and 1943. The key men who were to direct that later expansion were already on the job and the major lines of the munitions organisation had already been laid down. The initial difficulties had already been overcome and any false starts or mistaken appointments had already been corrected. During the first two years of war a wide variety of constructional works had also been undertaken. Military camps had been established, fixed coastal defences strengthened and strategic roads built (including the North-South road through Central Australia, together with connecting roads), while the reconstruction of the East-West transcontinental route had been commenced. The construction of a graving dock at Sydney had started.

The administrative machinery had been adjusted and strengthened and its principal officers had learnt something of the usages of war. The various departments engaged in finance production and supply were rapidly acquiring a larger measure of wartime experience. Consequent on the passage of the Lend-Lease Act by the United States Congress in March 1941, overseas purchasing arrangements had been adjusted and the Division of Import Procurement had been established in Australia in September. Additional machinery for economic direction and control was being prepared.

Increased participation in international discussions had led to the appointment of Australian Ministers to the United States, Japan and China, a High Commissioner to Canada, and Official Representatives in Singapore and New Caledonia. The Labour Government was proposing to add to these a representative in Batavia. Menzies had made a visit overseas as Prime Minister. Arrangements had been completed for the attendance of an Australian Minister at meetings of the British War Cabinet and Australian representatives had attended a succession of military staff conversations in the Far East, resulting in understandings with the United Kingdom, Netherlands and New Zealand and, less conclusively, with the United States services regarding action that might be taken in the event

of war. Attempts had been made to lessen the potential danger presented by the neighbouring colonies of France and Portugal.

Thus Australia was called to meet the threat from Japan at a time when her war effort was already in motion. That was a great mercy. Yet, to recognise the value of what was done in the first two years of war, does not dispose finally of the question whether it was the best that could have been done, nor should it close the discussion of the nature and extent of the Australian war effort during the period when Germany and Italy were the only enemies.

The persistent questions on how, when and where Australia could best take part in the war had found a partial and uncompleted answer up to the end of November 1941. From September 1939 onwards Australian Governments had been confused rather than guided by events. If there had been a direct attack on Australian territory or an immediate danger of attack there would have been no two opinions about what Australia should do. If the security of Australian territory had been certain there could have been a clear-cut issue of Australian aid to her allies. If the war situation in Europe and the North Atlantic or the probable course of American and Russian policy could have been seen clearly the nature of that aid would have been decided more quickly. In fact, the decisions were made against ever-changing interpretations of the danger in the Far East and the war situation in Europe and continual guessing as to what the enemy and the neutral powers might do. The records of the Advisory War Council, in particular, reveal the political leaders of both Government and Opposition arguing among international uncertainties.

The decisions were also complicated by the fact that different political groups in Australia had found ready-made answers for themselves before the war to meet a hypothetical war situation. At the one extreme were those who, in all circumstances, took the simple view that wars were won by fighting and that Australia should raise and arm more and more divisions as quickly as possible for service alongside the mother country wherever there was fighting to be done. At the other extreme were those who, in all circumstances, opposed expeditionary forces and argued that the security of Australia was the best contribution to an Allied cause. In between there were those who still differed in the emphasis they gave to the role of Australia as a producer of war materials and foodstuffs or as a raiser of fighting forces. The thoughts of many political and industrial groups still flowed in the channels which had been dug by the arguments over defence policy in the period between the two wars.

Another impediment to a clear decision was set in the early months of war by the prevailing views on the state of the Australian economy and particularly by concern over unemployment and the marketing of export surpluses. This concern was accompanied by political pressure of those sections of the community who feared most acutely the disruptive effects of war on their own livelihood. At the beginning of the war the Government held the considered view that it was necessary to build up the strength of the national economy and to improve the state of public opinion

before heavy demands could be made on the nation. Furthermore, the expansion of the war effort depended to some extent on the importation of plant, materials, aircraft and weapons and initially these could only be acquired if trade were maintained. Political discussions reminded them perpetually of the separate claims of various industries, of labour and of the State Governments.

After the fall of France the Government moved towards the view that eventual victory would only be possible if the survival of the British Isles were ensured, if the British position in the Middle East were maintained and if access by the British Navy to the Pacific were kept open. To serve those ends the Australian Government was willing to take some risks in the Far East and in home defence, although not a total risk, and to move away from peacetime economic ideas, although not to abandon them completely. The pressures of sectional interests on the Government, however, did not end and most of the Opposition maintained strong qualifications on raising expeditionary forces as the main item in the Australian war effort.

Consequently, higher policy during the first two years of war developed the faults of dispersal of strength and of gradualness while it claimed the merit of seeking to achieve a well-rounded effort by a smooth transition with the backing of the whole nation. Expeditionary forces were raised to a considerable extent but not to the total capacity, and official measures were taken to reserve eligible manpower for other forms of war service. Arrangements were made to apply Australian products usefully to the Allied war effort, but the arrangements were subject to the political need of marketing surpluses of primary produce and the fiscal need of maintaining overseas balances to pay for essential imports. Home defence received attention but not at the expense of expeditionary forces for Allied battlefronts overseas. The munitions industry was developed rapidly but not to a point where it became a rival either to the fighting services or to industries supplying civil needs. The war effort was greatly intensified but not to such an extent as to inconvenience the community in a way that would raise political resistance. If the proportion of national income and of eligible manpower directly devoted to war might be taken as a rough guide, the Australian war effort in the second half of 1941 could be described as a 15 per cent effort which was expected to rise to a 25 per cent by the middle of 1942.

There are clear signs that the preliminary phase of building up the nation's strength was coming to an end in 1941, and, whether or not Japan had attacked, the Australian war effort would have moved into a new phase in 1942. In July 1941 the War Cabinet had decided that a comprehensive review should be made of the war effort, and when Curtin took office in October the Defence Department had waiting for him a statement on "the present objectives of war policy"; this indicated clearly that all the peacetime slack had been taken up and the strain was beginning. The programme announced by Menzies in June 1941, although there had

scarcely been time to apply any of it before he lost office in August, was intended to bring a major change in the Australian war effort.

The change he inaugurated was continued towards the end of 1941 under a new government. The fact that the change was slowed down by domestic political events is a reminder that the political circumstances in Australia were unfavourable to firmness in the conduct of a war. Decisions were made by governments which, after the election of September 1940, lacked a firm parliamentary majority.

The reasons why a national government in Australia was impossible have to be accepted as being among the hard facts of Australian political life and the characteristics of the Australian people. In spite of such devices as the Advisory War Council and in spite of the measure of cooperation which Curtin gave to the Government as Leader of the Opposition on some of the major issues, the war was waged among most of the customary strains of political partisanship and the customary attempts of an Opposition to displace the Government.

Having regard to these circumstances, a large part of any criticism of the so-called failure of Menzies as a war leader should be criticism of him for failing to win the 1940 elections more decisively. In that election he probably damaged his own chances by talking too long and too late about national government instead of making an outright bid for support for his party; by his error of putting the claims of his office above the need for intensive campaigning; and by his neglect of the sectional claims of the wheat farmers and his resistance to the sectional pressures of the motor trade and petrol users. In the preceding months he had also suffered from the damage done to his reputation by general criticisms of the war effort and, ironically, he had offended some people by not doing more and had offended other people by doing too much.

Democracy has seldom produced a worse means of obtaining strong government in a crisis than when, in Australia in 1940, it produced a coalition depending on the votes of two Independents. This fact in itself suggests a state of irresolution in the nation and the criticism of the political leaders on both sides really amounts to a criticism that they failed to cut through that irresolution and by what they said or did to inspire confidence in their leadership and their policies. They failed to rouse the people or command their trust.

In the case of Menzies, a more concrete test appears after the election. His so-called failure after that date was a failure in political management. The difficulties caused by the incompleteness of his success at the polls were made more serious by the continuing dissension within his own party and by the ambitions which were perpetually stirring inside the Country Party. When Menzies came to office in April 1939 he had two big problems before him—to organise the nation for war and to heal dissension among his own supporters and gain their more complete support. In concentrating on the first he had not made any progress with the second. After the elections of September 1940 his problems were to lead the nation in the war effort; and to improve his position in the House by the handling of

his own party, the Country Party and the two Independents, and by gaining some cooperation from the moderate section of Labour. Again, his concentration on the war effort meant neglect of the less lofty tasks of a Prime Minister and even some inability on his own part to tolerate the political conflict. The direction of the war effort did not show quick and striking results to command support, but rather brought as their first consequence the material for minor grievances. His position was exceptionally difficult but he appeared to be unable to apply the humbler arts of political management to improve it. The unsteadiness and eventual crumbling away of his own supporters brought a change of government before he had been able to set fully in operation his own ideas for a change in the national war effort.

One of the customary criticisms of Menzies has been that he did not always convert his high purposes promptly into practical administrative action. Certainly, towards the end of his period of office, there were signs in some branches of administration of failing drive and of delay between the making of a policy decision and the taking of effective action. The slowness in setting up the Department of War Organisation of Industry and the Manpower Directorate is a case in point. Yet, on closer inquiry, the administrative sluggishness would appear to have been the symptom of a political sickness rather than itself the main disease.

Considering first the weakness and inexperience of the administrative services when the war began and, second, the political difficulties of the whole period of his office, the administrative labours of Menzies command respect, even when they are criticised in points of detail. The accomplishment in organising the nation for war was considerable. Furthermore, after he had corrected most of his own errors while in office, the groundwork of his administration proved sound enough to enable the rapid intensification of the war effort in 1942 and 1943 without any substantial change in principle or method.

The more difficult judgment concerns what might be termed the failure of any Australian Government to inspire and gain the full confidence of the people of Australia up to the end of 1941. In the case of Menzies this lies parallel to, though some distance away from, his inability to rally and reinforce his own political party. The old phrase about a Government losing the confidence of the country would, if read plainly in the common and non-parliamentary sense of the words, come as close as any generalisation could come to the reason why the Menzies Government fell.

Chronic lack of trust seemed to be one of the most marked characteristics of Australian politics, as of Australian social life, in the early years of war. Some of this lack of trust was due to experiences in the period between the two wars; some was due to deep differences in outlook and theory; some was the fruit of sectional greed, for any person or group which has not learnt to make concessions or sacrifices itself cannot believe that the action of other persons or groups is anything else but mean. Perhaps other and more deeply involuted reasons for distrust could be found in the

course of a more far-reaching exploration of the historical, social and physical influences that had shaped the character of the nation.

In the particular case of the Menzies Government other causes of lack of trust might be found in the political record of the U.A.P. and Country Party, and in the public detraction of Menzies. A matter of personal trust is sometimes only a matter of personal reputation, for unworthy men sometimes gain an implicit trust when men of probity are labouring against suspicion. The reputation of the Government and its leader was continually under attack. The newspaper gave a great deal of space to public criticism of what was going wrong and seldom mentioned what was going right. The daily task of the Opposition was to lessen the Government's reputation. In trade union circles the representation of Menzies as a man hostile to the workers was continuous and bitter. The whispering about him was even more noticeable than usual in the case of all men in public life in Australia. Menzies was unable to overtake the losses he suffered by detraction. He was also unable to establish positively a different reputation for himself by either the attractiveness or the force of his own nature. He thus did not have and could not command the trust or seize the imagination of the people and hence inspire them to an undivided war effort under his leadership. It is a debatable point whether any man in Australian politics could have done so. None could have appealed to them more eloquently than he did; few could have worked so hard and capably at his own personal share of the common task; or shown them so high a purpose. Perhaps the one quality that was lacking was demand—a hard, strong, unrelenting demand for sacrifice—a demand that was itself the voice of mutual confidence, a confidence of a leader in his people and an expectation of their confidence in him.

One of the most noticeable features of the first two years of war was that it was possible to accomplish so much without a far-reaching demand which changed the life of the nation in any fundamental way. This fact, in itself, was beginning to multiply the problems of wartime government. In contemporary official documents attention was given in the middle of 1941 to certain cumulative economic effects of the war effort which were creating new difficulties. There were also less noticeable but equally important social and political consequences of the same causes. Similar lessons might be learnt from both the economic and social story.

The military and economic advisers of the Government pointed out in July 1941, that the direct employment of about 420,000 men and women in the war effort, either in the services or in war production, had been brought about largely by using up reserves of labour and by diverting men from luxury industries.[2] Thus the war effort had not yet brought about any marked reduction in standards of living. Indeed, for a con-

[2] Copland's calculation in a memorandum dated 3rd Dec 1941 was that 160,000 men had been transferred from their normal employment, 140,000 unemployed had found employment, 60,000 who had not normally sought employment had taken positions and 60,000 had been provided from the natural increase in population. Of course this does not mean that war workers and servicemen came only from those groups but that the total force of available manpower had been varied to that extent.

siderable proportion of the people of Australia, war had meant the enjoyment of a "boom". When the war came unemployment fell rapidly and the spending power of the people rose. The total number of occupied persons (including employers and self-employed persons, but excluding those on the paid strength of the defence forces) had risen to 2,780,700 in July 1941—the peak of wartime civil employment—and the wage and salary earners in employment (excluding rural workers, domestic workers in private homes and persons on the paid strength of the defence forces) reached a peak of 1,966,000 in November 1941. Trade union membership had increased by nearly 200,000 between 1938 and 1941 and stood at a total of 1,075,680. Nominal wages were up and the fall in "real" wages was slight. Except clothing, not many articles were hard to buy. The increased purchasing power in the hands of consumers increased demand. An examination of the principal retail stores in Sydney, Melbourne and Brisbane showed that daily average sales had increased in June 1941 to 47 per cent above the average for June 1939, and in August 1941 to 38 per cent above August 1939. Even after allowance had been made for the increase of 10 per cent in average retail prices and, particularly, an increase of 35 per cent in clothing prices since the beginning of the war, this indicated a marked increase. Furthermore lay-by sales for Sydney and Melbourne in August 1941 were approximately double those in August 1939. Employment in retail stores had risen to 5 per cent above the average for 1938-39. Price control protected the consumer and limited profits.

Although it was obvious that the increased demand for civilian supplies and the increasing employment for non-essential civilian purposes was setting up a rival claim to the war effort, the Government hesitated over any restriction of spending power, or compulsory diversion of manpower and resources, and deferred proposals for a comprehensive system of rationing, although its economic advisers were urging that such measures were necessary. The reduction of spending power by increased taxation on lower incomes, which the Government's advisers reported was the "best and simplest way", was found politically impossible by the Menzies Government. The effect of direct control over resources was considered to be doubtful because it would leave the excess purchasing power still in the hands of the civil community at a time when the supply of goods was being decreased and thus there would be a strong tendency for a rise in prices. Hence, the advisers said, price control should be fortified by a comprehensive system of rationing. But although such ideas were being urged in July 1941, the political changes of August and September and then the excitement of Japan's entry into the war meant that their consideration was postponed.

Australian government might, therefore, be criticised for lack of perception or of political courage in matters of economic policy. At the outset there was unfamiliarity in the political world with any theory of a war economy, for, although the experience of the war of 1914-18 and the prospect of war in 1938 may have stimulated discussion of war economics

among the professional economists, that discussion had not penetrated far into Australian politics and the Australian administrative services when war came, and, moreover, in the opening months of the war the practical necessities of disposing of surplus primary products and the contemporary picture of Australia's role as that of a supplier of the materials of war kept the thoughts of most of her politicians still tied to the ideas of a market economy. When the idea of a controlled wartime economy began to be more widely understood, every suggestion for the diversion of resources to "non-economic" purposes (a contemporary phrase apparently intended to cover any abnormal use of men and materials) was met by resistance. The consequential half-measures were evidence both of the strength of the sectional pressures and the lack of resolution of the sponsors. The motor trade was against the rationing of petrol; manufacturing interests were against the prohibition or reduction of imports of materials used in their factories; newspapers were against newsprint rationing; wheat farmers were against restriction of acreage sown; the wage earner was against any variation of his customary industrial conditions, a section of Labour was against any form of control over manpower; the wage earner, enjoying the best conditions he had known after ten lean years, claimed the right to spend his money for his own satisfaction. It was perhaps peculiarly difficult, too, for a nation that had made the exploitation of its natural resources and the marketing of its products the chief end of existence, to turn overnight to the idea that war demands waste, that waging war yields no economic returns, and that in wartime a nation's resources are a means to victory and not an end in themselves. This difficulty became clearly apparent in the extreme concern shown at all times about what was going to happen to this or that industry or this or that field of employment when the war was over. The value of a measure to the war effort was often obscured in the debates on the need to protect the affected interests from any consequences of war.

Alongside these economic consequences of the war effort, certain social consequences could also be observed. The mind of the people was itself being worked upon by the very conditions which the political and economic decisions of the Government were creating. Many people were more conscious of a boom of prosperity than they were conscious of a war. They were treated politically as persons who would act selfishly and not as patriots who were capable of sacrifice. Many of them saw an opportunity rather than a demand.

One feature that emerges most clearly from a close review of the wartime political scene is an expectation by the men in Canberra that the Australian people might behave badly. It was not peculiar to one party nor to one phase of the war. In February 1941 Curtin had deliberately helped to exaggerate the situation in the Far East because he thought that the people could not be roused in any other way and, later in the war, when he was Prime Minister, he minimised bad news for fear morale would be shaken. In the whole of the first year of war Menzies thought it necessary to try to "educate" the people into accepting sacrifices. Up to the end of

1941 there were perpetual references, too, to the apathy of the people. Blamey, on his visit to Australia in mid-November, said Australians were "like a lot of gazelles grazing in a dell near the edge of a jungle". To come back from the battlefronts in the Middle East to Australia gave him "a most extraordinary feeling of what you might call helplessness".[3]

The parliamentary debates, political speeches and pamphlets of the day reveal how great a part domestic issues still played in political calculations. In the week before Japan struck the Victorian branch of the Australian Labour Party issued a pamphlet setting out what Labour had done when in Opposition and what it was doing as a Government. It spoke of taxation exemptions, pension increases, relief to wheat farmers, higher taxes on companies, allowances for soldiers' dependents, repatriation benefits, banking reform, industrial disputes, reduction in telephone charges, higher prices for primary products, other assistance to primary industries, a refusal to make any further reduction in newsprint and many similar matters. Its only direct reference to the war was a reference to servicemen's pay.[4] That pamphlet may not mean that the Labour Government was unaware of war needs or any whit less resolute than their predecessor. It does mean that experienced campaigners in the party had made an estimate that the appeal likely to gain the most favourable response from the Australian people was not a demand for sacrifice but an assurance that their various interests were being protected.

Political bidding of this kind had by no means been peculiar to the Labour Party. When the non-Labour parties were in Government the original call for greater effort was modified on more than one occasion because Ministers or private members urged the importance of not offending this or that section of the community. After the Labour Government took the Treasury benches, former Ministers, now in Opposition, at once showed a very close and sympathetic interest in public in such topics as the price of eggs and the sufferings of the taxpayer.

To what extent was all this a true reflection of the mind of the Australian people and to what extent was it the creation of the politicians and the policy-makers? There is some ground to support the politicians' estimate of the mind of the people, for the pressure from interested groups was constant. Employers, primary producers and wage earners all asserted their rights. Yet this was probably, in part, a public response to the way politics was being conducted. When a nation hangs out the sign, "Politics as Usual", it may expect the old customers to turn up at the usual hours with the usual requests to be served.

Yet there was another side to the picture. Large numbers of people did not play at politics and did not try to press their own interest. Memory recalls the enlistments in the A.I.F., the waiting lines of young men outside the R.A.A.F. offices, the enthusiasm of the women joining all

[3] Australian metropolitan newspapers, 17 Nov 1941.

[4] *Labour Takes Control: Record of Achievements of the Federal Labor Government Since its Accession to Office.* Issued by the Australian Labour Party (Victoria), D. L. McNamara, General Secretary, 4 Dec 1941.

manner of voluntary organisations of their own creation, the immediate establishment of various "patriotic funds" and the constitution of the Australian Comforts Fund in January 1940, voluntary enrolment in A.R.P. and first aid classes, and many similar manifestations of the spirit of service. Whenever danger increased the number of recruits offering for the armed forces rose. Perhaps it was not the spirit of the people but the firmness of the demand that was lacking. Perhaps they would respond to a call for action although they were apathetic to attempts to educate them. Perhaps they would learn to trust each other when they found themselves side by side in extremity and would embrace sacrifice in time of need. The challenge to the survival of Australia as a nation was now clamant.

APPENDIX 1

WARTIME MINISTRIES

First Menzies Ministry: 26th April 1939 to 14th March 1940

Rt Hon Robert Gordon Menzies, K.C.	Prime Minister and Treasurer; from 13 Nov 1939 Minister for Defence Coordination; from 23 Feb 1940 Minister for Trade and Customs.
Rt Hon William Morris Hughes, K.C.	Attorney-General and Minister for Industry.
Rt Hon Richard Gardiner Casey, D.S.O., M.C.	Minister for Supply and Development to 26 Jan 1940.
Hon Geoffrey Austin Street, M.C.	Minister for Defence to 13 Nov 1939; from 13 Nov 1939 Minister for the Army.
Hon Sir Henry Somer Gullett, K.C.M.G.	Minister for External Affairs; from 12 Sep 1939 Minister for Information.
Senator the Hon George McLeay	Minister for Commerce.
Senator the Hon Hattil Spencer Foll	Minister for the Interior.
Hon Eric John Harrison	Postmaster-General and Minister for Repatriation.
Hon John Norman Lawson	Minister for Trade and Customs to 23 Feb 1940.
Hon Sir Frederick Harold Stewart	Minister for Health and Minister for Social Services; from 13 Nov 1939 Minister for the Navy; from 26 Jan 1940 Minister for Supply and Development.
Hon James Valentine Fairbairn	Minister for Civil Aviation; Vice-President of the Executive Council to 26 Jan 1940; Minister assisting the Minister for Defence to 13 Nov 1939; from 13 Nov 1939 Minister for Air.
Hon John Arthur Perkins	Minister without portfolio administering External Territories.
Hon Percy Claude Spender, K.C.	Minister without portfolio assisting the Treasurer to 3 Nov 1939; from 3 Nov 1939 acting Treasurer; from 26 Jan 1940 Vice-President of the Executive Council.
Senator the Hon Philip Albert McBride	Minister without portfolio assisting the Minister for Commerce.
Senator the Hon Herbert Brayley Collett, C.M.G., D.S.O.	Minister without portfolio administering War Service Homes.
Hon Harold Edward Holt	Minister without portfolio assisting the Minister for Supply and Development; from 23 Feb 1940 also assisting the Minister for Trade and Customs.

War Cabinet

(Established 15th September 1939)

Rt Hon Robert Gordon Menzies, K.C., Rt Hon William Morris Hughes, K.C., Rt Hon Richard Gardiner Casey, D.S.O., M.C. (to 26 Jan 1940); Hon Geoffrey Austin Street, M.C., Hon Sir Henry Somer Gullett, K.C.M.G., Senator the Hon George McLeay (to 13 Nov 1939); from 13 Nov 1939, Senator the Hon Hattil Spencer Foll, Hon Sir Frederick Harold Stewart, Hon James Valentine Fairbairn. Coopted to War Cabinet when necessary: Hon Percy Claude Spender, K.C.

Economic Cabinet

(Established 12th December 1939)

Rt Hon Robert Gordon Menzies, K.C., Rt Hon Richard Gardiner Casey, D.S.O., M.C. (to 26 Jan 1940), Senator the Hon George McLeay, Hon Eric John Harrison, Hon John Norman Lawson (to 23 Feb 1940), Hon Percy Claude Spender, K.C., Senator the Hon Philip Albert McBride.

Second Menzies Ministry: 14th March 1940 to 28th October 1940

Rt Hon Robert Gordon Menzies, K.C.	Prime Minister, Minister for Defence Coordination and Minister for Information; from 11 Jun 1940 Minister for Munitions.
Hon Archie Galbraith Cameron	Minister for Commerce and Minister for the Navy.
Rt Hon William Morris Hughes, K.C.	Attorney-General and Minister for Industry.
Hon Geoffrey Austin Street, M.C.	Minister for the Army and Minister for Repatriation to 13 Aug 1940.
Hon Sir Henry Somer Gullett, K.C.M.G.	Vice-President of the Executive Council, Minister in Charge of Scientific and Industrial Research and Minister assisting the Minister for Information to 13 Aug 1940.
Hon Sir Frederick Harold Stewart	Minister for Supply and Development and Minister for Social Services.
Hon Harold Victor Campbell Thorby	Postmaster-General and Minister for Health.
Hon Percy Claude Spender, K.C.	Treasurer.
Senator the Hon George McLeay	Minister for Trade and Customs.
Hon John McEwen	Minister for External Affairs.
Senator the Hon Hattil Spencer Foll	Minister for the Interior.
Hon James Valentine Fairbairn	Minister for Air and Minister for Civil Aviation to 13 Aug 1940.
Senator the Hon Philip Albert McBride	Minister without portfolio assisting the Minister for Commerce to 13 Aug 1940; from 14 Aug 1940 Minister assisting the Minister for Commerce, Minister for the Army and Minister for Repatriation.

Hon Arthur William Fadden	Minister without portfolio assisting the Treasurer and the Minister for Supply and Development to 13 Aug 1940; from 14 Aug 1940 Minister assisting the Treasurer and the Minister for Supply and Development and Minister for Air and Minister for Civil Aviation.
Senator the Hon Herbert Brayley Collett, C.M.G., D.S.O.	Minister without portfolio in charge of War Service Homes and assisting the Minister for Repatriation to 13 Aug 1940; from 14 Aug 1940 Minister in charge of War Service Homes and assisting the Minister for Repatriation, Vice-President of the Executive Council, and Minister in charge of Scientific and Industrial Research.
Hon Horace Keyworth Nock	Minister without portfolio assisting the Prime Minister and in charge of External Territories and assisting the Minister for the Interior.

War Cabinet: From 14th March 1940

Rt Hon Robert Gordon Menzies, K.C., Hon Archie Galbraith Cameron, Rt Hon William Morris Hughes, K.C., Hon Geoffrey Austin Street, M.C. (to 13 Aug 1940), Hon Percy Claude Spender, K.C., Senator the Hon Hattil Spencer Foll, Hon Sir Frederick Harold Stewart, Hon John McEwen, Hon James Valentine Fairbairn (to 13 Aug 1940); from 14 Aug 1940 Senator the Hon Philip Albert McBride, Hon Arthur William Fadden.

Economic Cabinet: From 14th March 1940

Rt Hon Robert Gordon Menzies,. K.C., Hon Archie Galbraith Cameron, Senator the Hon George McLeay, Hon Harold Victor Campbell Thorby, Hon Percy Claude Spender, K.C., Hon Sir Frederick Harold Stewart, Senator the Hon Philip Albert McBride, Hon Arthur William Fadden.

Meetings lapsed about the end of May 1940.

Third Menzies Ministry: 28th October 1940 to 29th August 1941

Rt Hon Robert Gordon Menzies, K.C.	Prime Minister and Minister for Defence Coordination; Minister for Information to 13 Dec 1940.
Hon Arthur William Fadden	Treasurer.
Rt Hon William Morris Hughes, K.C.	Attorney-General and Minister for the Navy.
Hon Percy Claude Spender, K.C.	Minister for the Army.
Senator the Hon George McLeay	Postmaster-General and Minister for Repatriation to 26 Jun 1941; Vice-President of the Executive Council; from 26 Jun 1941 Minister for Supply and Development.
Hon John McEwen	Minister for Air and Minister for Civil Aviation.
Senator the Hon Hattil Spencer Foll	Minister for the Interior; from 13 Dec 1940 Minister for Information.

Rt Hon Sir Earle Christmas Grafton Page, G.C.M.G.	Minister for Commerce.
Hon Sir Frederick Harold Stewart	Minister for External Affairs, Minister for Health and Minister for Social Services.
Senator the Hon Philip Albert McBride	Minister for Supply and Development to 26 Jun 1941; Minister for Munitions.
Hon Eric John Harrison	Minister for Trade and Customs.
Hon Harold Edward Holt	Minister for Labour and National Service; from 26 Jun 1941 Minister in charge of Council for Scientific and Industrial Research.
Senator the Hon Herbert Brayley Collett, C.M.G., D.S.O.	Minister without portfolio to 26 Jun 1941 administering War Service Homes and assisting Minister for Repatriation; from 26 Jun 1941 Minister for Repatriation.
Hon Thomas Joseph Collins	Minister without portfolio to 26 Jun 1941 assisting Prime Minister, administering External Territories and assisting Minister for the Interior; from 12 Mar 1941 assisting Postmaster-General; from 26 Jun 1941 Postmaster-General and Minister assisting Minister for Supply and Development.
Senator the Hon John William Leckie	Minister without portfolio to 26 Jun 1941 assisting Minister for Trade and Customs, and Minister for Labour and National Service; from 12 Mar 1941 assisting the Minister for the Army; from 26 Jun 1941 Minister for Aircraft Production and Minister assisting the Minister for Munitions.
Hon Hubert Lawrence Anthony	Minister without portfolio to 26 Jun 1941 assisting the Treasurer and the Minister for Commerce; from 26 Jun 1941 Minister for Transport and Minister assisting the Treasurer and the Minister for Commerce.
Hon Eric Sydney Spooner	From 26 Jun 1941 Minister for War Organisation of Industry.
Hon Joseph Palmer Abbott, M.C.	From 26 Jun 1941 Minister for Home Security and Minister assisting the Minister for Defence Coordination and Minister for the Army.
Hon Allan McKenzie McDonald	From 26 Jun 1941 Minister for External Territories and Minister assisting the Minister for the Interior.

War Cabinet: From 28th October 1940

Rt Hon Robert Gordon Menzies, K.C., Hon Arthur William Fadden, Rt Hon William Morris Hughes, K.C., Hon Percy Claude Spender, K.C., Hon John McEwen, Senator the Hon Hattil Spencer Foll; from 26 Jun 1941 Senator the Hon Philip Albert McBride.

Economic and Industrial Committee

(Established 4th July 1941)

Hon Arthur William Fadden, Senator the Hon George McLeay, Rt Hon Sir Earle Christmas Grafton Page, G.C.M.G., Hon Sir Frederick Harold Stewart, Hon Eric John Harrison, Hon Harold Edward Holt, Hon Hubert Lawrence Anthony, Hon Eric Sydney Spooner.

Fadden Ministry: 29th August 1941 to 7th October 1941

Hon Arthur William Fadden	Prime Minister and Treasurer.
Rt Hon Robert Gordon Menzies, K.C.	Minister for Defence Coordination.
Rt Hon William Morris Hughes, K.C.	Attorney-General and Minister for the Navy.
Hon Percy Claude Spender, K.C.	Minister for the Army.
Senator the Hon George McLeay	Minister for Supply and Development and Vice-President of the Executive Council.
Hon John McEwen	Minister for Air and Minister for Civil Aviation.
Senator the Hon Hattil Spencer Foll	Minister for the Interior and Minister for Information.
Rt Hon Sir Earle Christmas Grafton Page, G.C.M.G.	Minister for Commerce.
Hon Sir Frederick Harold Stewart	Minister for External Affairs, Minister for Health and Minister for Social Services.
Senator the Hon Philip Albert McBride	Minister for Munitions.
Hon Eric John Harrison	Minister for Trade and Customs.
Hon Harold Edward Holt	Minister for Labour and National Service and Minister in charge of Council for Scientific and Industrial Research.
Senator the Hon Herbert Brayley Collett, C.M.G., D.S.O.	Minister for Repatriation.
Hon Thomas Joseph Collins	Postmaster-General.
Senator the Hon John William Leckie	Minister for Aircraft Production.
Hon Hubert Lawrence Anthony	Minister for Transport.
Hon Eric Sydney Spooner	Minister for War Organisation of Industry.
Hon Joseph Palmer Abbott, M.C.	Minister for Home Security.
Hon Allan McKenzie McDonald	Minister for External Territories.

War Cabinet: From 29th August 1941

As for the previous Ministry.

Economic and Industrial Committee: From 29th August 1941

As for the previous Ministry. The Committee lapsed after 7th October 1941.

First Curtin Ministry: 7th October 1941 to 21st September 1943

Rt Hon John Curtin	Prime Minister; Minister for Defence Coordination to 14 Apr 1942; from 14 Apr 1942 Minister for Defence.
Hon Francis Michael Forde	Minister for the Army.
Hon Joseph Benedict Chifley	Treasurer; from 22 Dec 1942 Minister for Postwar Reconstruction.
Rt Hon Herbert Vere Evatt, K.C.	Attorney-General and Minister for External Affairs.
Hon John Albert Beasley	Minister for Supply and Development to 17 Oct 1942; from 17 Oct 1942 Minister for Supply and Shipping.
Senator the Hon Joseph Silver Collings	Minister for the Interior.
Hon Norman John Oswald Makin	Minister for the Navy and Minister for Munitions.
Hon Edward James Holloway	Minister for Social Services and Minister for Health; from 21 Feb 1942 Minister assisting the Minister for Munitions.
Senator the Hon Richard Valentine Keane	Minister for Trade and Customs and Vice-President of the Executive Council.
Hon Arthur Samuel Drakeford	Minister for Air and Minister for Civil Aviation.
Hon William James Scully	Minister for Commerce to 22 Dec 1942; from 22 Dec 1942 Minister for Commerce and Agriculture.
Senator the Hon William Patrick Ashley	Postmaster-General and Minister for Information.
Hon Edward John Ward	Minister for Labour and National Service.
Hon Charles William Frost	Minister for Repatriation and Minister in charge of War Service Homes.
Hon John Johnstone Dedman	Minister for War Organisation of Industry and Minister in charge of Council for Scientific and Industrial Research.
Hon Hubert Peter Lazzarini	Minister for Home Security and Minister assisting the Treasurer.
Senator the Hon James Mackintosh Fraser	Minister for External Territories; Minister assisting the Minister for Commerce to 17 Oct 1942; from 21 Feb 1942 assisting the Minister for the Army; from 17 Oct 1942 assisting the Minister for Supply and Shipping.

Senator the Hon Donald Cameron	Minister for Aircraft Production; Minister assisting the Minister for Munitions to 21 Feb 1942.
Hon George Lawson	Minister for Transport and Minister assisting the Postmaster-General.

War Cabinet: From 7th October 1941

Rt Hon John Curtin, Hon Francis Michael Forde, Hon Joseph Benedict Chifley, Rt Hon Herbert Vere Evatt, K.C., Hon John Albert Beasley, Hon Norman John Oswald Makin, Hon Arthur Samuel Drakeford; from 11 Dec 1941 Hon John Johnstone Dedman.

Production Executive

(Established 6th November 1941)

Hon John Albert Beasley, Hon Norman John Oswald Makin, Hon Edward John Ward, Hon John Johnstone Dedman; from 12 Dec 1941 Hon Joseph Benedict Chifley and Senator the Hon Donald Cameron also members; from 29 Jan 1942 Senator the Hon Richard Valentine Keane; from 26 Feb 1942 Hon William James Scully, Hon Edward James Holloway.

Second Curtin Ministry: 21st September 1943 to 6th July 1945

Rt Hon John Curtin	Prime Minister and Minister for Defence.
Rt Hon Francis Michael Forde	Minister for the Army.
Hon Joseph Benedict Chifley	Treasurer; Minister for Post-war Reconstruction to 2 Feb 1945.
Rt Hon Herbert Vere Evatt, K.C.	Attorney-General and Minister for External Affairs.
Hon John Albert Beasley	Minister for Supply and Shipping to 2 Feb 1945; from 2 Feb 1945 Vice-President of the Executive Council.
Hon Norman John Oswald Makin	Minister for the Navy and Minister for Munitions; from 2 Feb 1945 Minister for Aircraft Production.
Senator the Hon Richard Valentine Keane	Minister for Trade and Customs.
Hon Edward James Holloway	Minister for Labour and National Service.
Hon Arthur Samuel Drakeford	Minister for Air and Minister for Civil Aviation.
Hon William James Scully	Minister for Commerce and Agriculture.
Senator the Hon William Patrick Ashley	Postmaster-General and Vice-President of the Executive Council to 2 Feb 1945; from 2 Feb 1945 Minister for Supply and Shipping.
Hon John Johnstone Dedman	Minister for War Organisation of Industry to 19 Feb 1945[1]; Minister in charge of Council for Scientific and Industrial Research; from 2 Feb 1945 Minister for Post-war Reconstruction.

[1] For administrative reasons (chiefly of a legal nature) the department was not abolished by Federal Executive Council until 13 Jul 1945.

Senator the Hon Joseph Silver Collings	Minister for the Interior.
Hon Edward John Ward	Minister for Transport and Minister for External Territories.
Senator the Hon James Mackintosh Fraser	Minister for Health and Minister for Social Services.
Hon Charles William Frost	Minister for Repatriation.
Hon Hubert Peter Lazzarini	Minister for Home Security; from 2 Feb 1945 Minister for Works.
Senator the Hon Donald Cameron	Minister for Aircraft Production to 2 Feb 1945; from 2 Feb 1945 Postmaster-General.
Hon Arthur Augustus Calwell	Minister for Information.

War Cabinet: From 21st September 1943

As for the previous Ministry.

Production Executive: From 21st September 1943

Hon John Albert Beasley, Hon Norman John Oswald Makin, Hon Edward John Ward, Hon John Johnstone Dedman, Hon Joseph Benedict Chifley, Senator the Hon Donald Cameron (to 2 Feb 1945), Senator the Hon Richard Valentine Keane, Hon William James Scully, Hon Edward James Holloway; from 2 Feb 1945 Senator the Hon William Patrick Ashley.

Forde Ministry: 6th July 1945 to 13th July 1945

Rt Hon Francis Michael Forde	Prime Minister and Minister for the Army.
Rt Hon Joseph Benedict Chifley	Treasurer.
Rt Hon Herbert Vere Evatt, K.C.	Attorney-General and Minister for External Affairs.
Hon John Albert Beasley	Minister for Defence and Vice-President of the Executive Council.
Hon Norman John Oswald Makin	Minister for the Navy, Minister for Munitions and Minister for Aircraft Production.
Senator the Hon Richard Valentine Keane	Minister for Trade and Customs.
Hon Edward James Holloway	Minister for Labour and National Service.
Hon Arthur Samuel Drakeford	Minister for Air and Minister for Civil Aviation.
Hon William James Scully	Minister for Commerce and Agriculture.
Senator the Hon William Patrick Ashley	Minister for Supply and Shipping.
Hon John Johnstone Dedman	Minister for Post-war Reconstruction and Minister in charge of Council for Scientific and Industrial Research.

Senator the Hon Joseph Silver Collings	Minister for the Interior.
Hon Edward John Ward	Minister for Transport and Minister for External Territories.
Senator the Hon James Mackintosh Fraser	Minister for Health and Minister for Social Services.
Hon Charles William Frost	Minister for Repatriation and Minister in charge of War Service Homes.
Hon Hubert Peter Lazzarini	Minister for Home Security and Minister for Works.
Senator the Hon Donald Cameron	Postmaster-General.
Hon Arthur Augustus Calwell	Minister for Information.

War Cabinet: From 6th July 1945

Rt Hon Francis Michael Forde, Rt Hon Joseph Benedict Chifley, Rt Hon Herbert Vere Evatt, K.C., Hon John Albert Beasley, Hon Norman John Oswald Makin, Hon Arthur Samuel Drakeford, Hon John Johnstone Dedman.

Production Executive: From 6th July 1945

As for the previous Ministry.

Chifley Ministry: From 13th July 1945

Rt Hon Joseph Benedict Chifley	Prime Minister and Treasurer.
Rt Hon Francis Michael Forde	Minister for the Army.
Rt Hon Herbert Vere Evatt, K.C.	Attorney-General and Minister for External Affairs.
Hon John Albert Beasley	Minister for Defence.
Hon Norman John Oswald Makin	Minister for the Navy, Minister for Munitions and Minister for Aircraft Production.
Senator the Hon Richard Valentine Keane	Minister for Trade and Customs.
Hon Edward James Holloway	Minister for Labour and National Service.
Hon Arthur Samuel Drakeford	Minister for Air and Minister for Civil Aviation.
Hon William James Scully	Minister for Commerce and Agriculture.
Senator the Hon William Patrick Ashley	Minister for Supply and Shipping.
Hon John Johnstone Dedman	Minister for Post-war Reconstruction and Minister in charge of Council for Scientific and Industrial Research.
Senator the Hon Joseph Silver Collings	Vice-President of the Executive Council.
Hon Edward John Ward	Minister for Transport and Minister for External Territories.

Senator the Hon James Mackintosh Fraser	Minister for Health and Minister for Social Services.
Hon Charles William Frost	Minister for Repatriation.
Hon Hubert Peter Lazzarini	Minister for Works and Housing and Minister for Home Security.
Senator the Hon Donald Cameron	Postmaster-General.
Hon Arthur Augustus Calwell	Minister for Immigration and Minister for Information.
Hon Herbert Victor Johnson	Minister for the Interior and Minister assisting the Minister for Works and Housing.

War Cabinet: From 13th July 1945

Rt Hon Joseph Benedict Chifley, Rt Hon Francis Michael Forde, Rt Hon Herbert Vere Evatt, K.C., Hon John Albert Beasley, Hon Norman John Oswald Makin, Senator the Hon Richard Valentine Keane, Hon Arthur Samuel Drakeford, Hon John Johnstone Dedman.

Production Executive: From 13th July 1945

As for the previous Ministry.

ADVISORY WAR COUNCIL

Constituted by National Security (Advisory War Council) Regulations (S.R. No. 235 of 1940) on 28th October 1940 and abolished on 31st August 1945.

Labour Party Representatives

From 29 Oct 1940 Rt Hon John Curtin (to 5 Jul 1945), Rt Hon Francis Michael Forde, Hon John Albert Beasley, Hon Norman John Oswald Makin; from 14 Mar 1941 Rt Hon Herbert Vere Evatt, K.C.; from 13 Jul 1945 Rt Hon Joseph Benedict Chifley.

United Australia Party and Country Party Representatives

From 29 Oct 1940 Rt Hon Robert Gordon Menzies, K.C. (to 18 Feb 1944), Rt Hon Arthur William Fadden, Hon Percy Claude Spender, K.C., Rt Hon William Morris Hughes, K.C. (to 18 Feb 1944; reappointed 19 Apr 1944); from 16 Oct 1941 Hon John McEwen; from 4 Aug 1941 Senator the Hon Philip Albert McBride (to 16 Oct 1941); from 24 Feb 1944 Rt Hon Sir Earle Christmas Grafton Page, G.C.M.G.[1]

[1] Coopted as member 26 Aug 1942 and continued to attend until arrangement discontinued 29 Sep 1943.

APPENDIX 2

INNOVATIONS IN THE STRUCTURE OF GOVERNMENT

Commonwealth Departments as at 26th April 1939:

Attorney-General's Department
Department of Civil Aviation
Department of Commerce
Department of Defence
Department of External Affairs
Department of Health
Department of the Interior (established 26 Apr 1939 in lieu of existing Department of the Interior and Department of Works)
Postmaster-General's Department
Prime Minister's Department
Department of Social Services (established 26 Apr 1939)
Department of Supply and Development (established 26 Apr 1939)
Department of Trade and Customs
Department of the Treasury

Additions and changes since 26th April 1939:

1939	12 Sep	Department of Information established
	13 Nov	Department of Defence Coordination Department of the Army Department of the Navy Department of the Air } established in lieu of the existing Department of Defence
1940	11 Jun	Department of Munitions established
	28 Oct	Department of Labour and National Service established
1941	26 Jun	Department of Aircraft Production established Department of External Territories established Department of Home Security established Department of Transport established Department of War Organisation of Industry established
1942	14 Apr	Department of Defence in lieu of existing Department of Defence Coordination
	17 Oct	Department of Supply and Shipping name changed from Department of Supply and Development
	22 Dec	Department of Post-war Reconstruction established Department of Commerce and Agriculture name changed from Department of Commerce
1945	2 Feb	Department of Works established
	13 Jul	Department of War Organisation of Industry abolished Department of Works abolished Department of Works and Housing established Department of Immigration established
1946	1 Feb	Department of Home Security abolished
	1 Nov	Department of Aircraft Production abolished
1948	6 Apr	Department of Supply and Shipping abolished Department of Munitions abolished Department of Shipping and Fuel established Department of Supply and Development established

1950	17 Mar	Department of Post-war Reconstruction	abolished
		Department of Shipping and Fuel	abolished
		Department of Information	abolished
		Department of Supply and Development	abolished
		Department of Transport	abolished
		Department of Fuel, Shipping and Transport	established
		Department of Supply	established
		Department of National Development	established

APPENDIX 3

THE BANNING OF THE COMMUNIST PARTY

The Communist Party was a minority group which itself claimed only 5,000 members in 1940, but, for a time, working on the idealism, confusion, sectional selfishness and lethargy of far greater numbers, it had a marked effect both on the shaping of the attitude of Australians to the war and in impeding effective Australian participation in the war. The Australian Communist Party had been formed originally in October 1920 from among those little rebel groups of Australian socialists who, since the eighteen-nineties, had always been found on the edges of the Labour Party, taking their socialist doctrine more seriously than their politics; and it developed through schisms and much internal bickering into a militant body preaching the class struggle, ridiculing the "reformism" of official Labour and looking towards the abolition of "capitalism" by force.

In the characteristic jargon of the party, its foundation has been described as

> the outcome of the experience of the working class gleaned in the struggles and growth of the Labour movement from 1890 to 1920. In this period the working class experienced the limitations of 'Liberal' labour governments and reformist trade unionism. It experienced the futility and bankruptcy of socialist sectarianism (Socialist Labour Party, Australian Socialist Party etc.) and anarcho-syndicalism (Industrial Workers of the World). The formation of the Communist Party represented the victory of Marxism-Leninism over various petty-bourgeois-pacifist and socialist theories (Victorian Socialist Party, 'Peaceful Revolution', Fabianism, etc.).[1]

The Communists worked both above ground and underground mainly by attempting to gain control of industrial unions and by taking advantage of whatever grievances or enthusiasms in other sections of the community might be directed towards their purpose. The successes of the party were, by reason both of its smallness and its doctrines, achieved by spoiling, destroying or distorting what other parties attempted rather than by obtaining wider acceptance for its own ideas. It was not strong enough to gain any representation in Parliament so it could not make the laws it wanted or bring about by constitutional means the sort of society it wanted, but it was determined and active enough to be able to influence others to break the laws and impede or discredit the society which it did not want. In particular, it sought power by gaining control or influence in the trade unions and used whatever position it gained in the trade unions both to promote industrial strife and to exert pressure on the policy-making organs of the Australian Labour Party. In general, it would appear that, during the war, industrial stoppages were regarded by the Communists as being of prime importance as a political weapon rather than as an immediate objective in themselves. Communists tried to use trade unions to squeeze Labour governments as well as to embarrass non-Labour governments.

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[1] L. L. Sharkey, *An Outline History of the Australian Communist Party* (Sydney, December 1944).

In matters relating to foreign affairs the Communist Party sat tight on a single wheel—loyalty to the Soviet Union—and rode wherever it took them. In the twelve months or so immediately before the outbreak of war their pamphlets and newspapers had expressed the view that the world was divided into two camps, one wanting peace and one wanting war. The chief war-seekers were Germany, Italy and Japan. The "enduring centre for world peace" was the Soviet Union and its principal supporters were the "international proletariat"—the workers in all lands—and they were exhorted to take action independently of their governments and, if need be, in defiance of them to advance the "peace policy" of the Soviet Union. They were advised that they might also find allies among the middle-class and "liberal bourgeois" and the populations of colonial, semi-colonial and weak countries who dreaded the coming of war; the aid of such allies was to be gained through the organisation of peace congresses, popular protests against war and Fascism and demonstrations of friendship for the Soviet Union.

When this advocacy of peace is followed through to the action counselled in particular issues, however, it would seem to have been calculated to make Britain and France go to war against Germany and Japan and to do so when in a state of unpreparedness. Intervention in Abyssinia, Spain and China was advocated while at the same time Great Britain was denounced for rearming. The Lyons Government was denounced for linking Australian with British defence measures at the Imperial Conference in 1937, while at the same time the Australian Labour Party was being attacked as isolationist and for advocating a home defence policy. Australian rearmament or any Australian participation in overseas wars was opposed while at the same time there was agitation for a total embargo on trade with Japan. These difficulties in finding consistency in the Communist advocacy of peace are lessened when the more positive elements of their policy are considered. The party also advocated collective security through the League of Nations and, in discussing Australian relations with Japan, urged that active steps be taken to bring about cooperation with the Soviet Union and "defensive agreements with our great democratic neighbours" in the Pacific—the U.S.A. and the U.S.S.R.—and also China, Dutch East Indies and South American States. In the Far East, the purpose apparently was, while excluding Britain and France, and regarding the Dutch East Indies as a non-European entity apart from the Netherlands, to build up regional alliances against Japan. The United States was to be brought into Pacific affairs to help contain Japan, and the old condemnations of American imperialism in the East seemed temporarily to diminish although attacks on British exploitation continued. The policy was clear, logical and understandable so far as it served the national interests of the Soviet Union. The extent to which it commended itself to other countries would depend, of course, on their estimation of the place of the Soviet Union in the world. On this the Australian Communist had his greatest certainty. Alone among the great powers the Soviet Union appeared to him as a peace-loving nation for it had abolished capitalism "and, con-

sequently, the incentive to conquest and war, from one-sixth of the world". The Soviet Union could never go to war unless attacked and, if it were attacked, it would become the duty of "every Communist and the duty of all workers and supporters of peace to use every means in their power to guarantee the victory of the Red Army over the imperialists".[2]

This policy was essentially one of loyalty to the Soviet Union and, even before the war, had meant opposition to any Australian governmental support for British policies in Europe. The outbreak of war heightened this opposition. Apart from some initial confusions, the Australian Communist Party was faithful to Moscow.

When the Soviet Union signed the non-aggression pact with Germany on 23rd August 1939, the party accepted the view that the "ruling circles of Britain and France" had been trying to "bring Germany and the Soviet Union into a collision", and the Soviet Union, by concluding the non-aggression pact with Germany, had "frustrated the insidious plans of the provokers of war" and ensured peace between the two largest States of Europe. Henceforward, Britain and France were regarded as war-makers and the German-Soviet treaty as a "barrier against the extension of the imperialist war". When war broke out between Germany and the Western Powers it was seen as "a struggle between two groups of imperialists for the repartition of the world". But at this point a little confusion crept into the argument. On the one hand it was said to be the duty of the workers to obstruct the waging of war by Britain. Labour Party leaders who supported the national war effort were draped with adjectives like "filthy" and "criminal". Yet, on the other hand the war was seen as not wholly deplorable. The capitalist world was "blowing itself to bits" while the Soviet Union, as the result of the pact—"one of the most brilliant acts of policy in working-class history"—was consolidating its economic, political and military might. The antagonisms of the imperialist states had been used to safeguard the Soviet Union, the base of world socialism, from capitalist attack.

Then came the partition of Poland between Germany and the Soviet Union, the Soviet invasion of Finland, and the Soviet treaties with Latvia, Estonia and Lithuania. The first was seen as the liberation of the oppressed minorities from a wicked Poland. The second was necessary to remove dangerous anti-Soviet bases of international capitalism and imperialism. The third was a measure to protect the independence of small States.

As indicated in Chapter 4 of the present volume, there had been momentary deviations from this line. Some Australian Communists, pressing ahead too logically from the peacetime teaching of the menace of Fascism, had seen Germany as the enemy and had thought it was proper to try to defeat her. They had been told that Britain should have gone to war over Czechoslovakia and thought it was therefore right for her to go

[2] Typical Australian pamphlets and the source of quoted phrases are: Tom Wright, *We Defend Peace* (Sydney, circa 1937), and *The Way Forward; Decisions of the 12th National Congress, Communist Party of Australia, November 1938.* A Communist account of the rise of the party will be found in E. W. Campbell, *History of the Australian Labour Movement, A Marxist Interpretation* (Sydney 1945).

to war over Poland and that Poland should be defended as a victim of Fascist aggression. Such an "incorrect appraisal" of the character of the war was soon suppressed by Communist headquarters in Australia and the party "quickly orientated itself to a correct Leninist estimation and policy". The erring ones were counselled that Britain and France were not fighting against Fascism and were not fighting for anything at which a worker could rejoice. They were warmongers and imperialists and shared an equal responsibility with Germany for starting the conflict. Their war with Germany had "the aim in reality of crushing the people's movement throughout Europe and preparing the ground for an Anti-Soviet war". It was heretical to think that the U.S.S.R. could take sides in an imperialist war—"a reactionary war waged for imperialist aims on both sides".[3]

During October 1939 Communists supported proposals for calling a peace conference. When nothing came of this move they helped to popularise the idea of the "phoney" war; they worked to discredit and undermine the leaders of the Labour Party who had declared their support of the Australian war effort; they worked to prevent any closer cooperation between Government and Opposition in the conduct of the war; they hindered recruitment of the A.I.F. and opposed the sending of troops overseas. They had their share in the fostering of strikes. Early in 1940 they were particularly active in spreading the story that the A.I.F. in the Middle East was being used in an imperialist war, for the protection of the oil interests of British capitalists, and possibly would be sent against Soviet Russia. "The tragedy of the Anzacs of 1915 was that they believed they were fighting for a fine and righteous cause," one of their pamphlets reads, "but they were killed in a war for trade, for profits, for capitalist domination of the world. And that is the tragedy of the Anzacs of 1940."[4]

When the German invasion of France made it irrelevant to talk either of a negotiated peace or of a "phoney" war, the party shifted its ground to demanding a "People's Government" which would sue for a People's Peace and, failing that, would organise a "real People's war against Fascism". The result was, as before, opposition to the constituted government of Australia and obstruction of any war effort conducted by such a government.

The party's choice of guidance was deliberate. R. Dixon, a member of the Central Executive of the Communist Party, replying to public criticism by the Attorney-General (Mr Hughes), denied in March 1940 that the party took orders from Moscow in the sense of receiving secret instructions, but added: "If by 'directions from Moscow' Mr Hughes means that our foreign policy is influenced by the policy of the Soviet Union or that we study and apply to Australia the experiences of the working-class movement in other countries and the Communist International, then we plead guilty to the charge". He compared this attitude to the Australian Govern-

[3] Typical Australian pamphlets published by the Central Committee, Communist Party of Australia, are: *Soviet-Germany Non-Aggression Pact Explained.* Introduction by E. W. Campbell; *The War and the Working Class,* by George Dimitrov, General Secretary of the Communist International; *The Truth About Finland* and *The Communist Party Speaks,* by L. L. Sharkey.

[4] L. P. Fox, *The Truth about Anzac,* first published 1936; republished March 1940.

ment's relations with Great Britain. "We Communists prefer that our policy should be influenced by workers' Russia rather than by the imperialists of Downing Street. Much better that we should be 'agents of Stalin', as Mr Hughes referred to me in his broadcast, than agents of Mr Chamberlain".[5]

At the outset of the war the attitude of the Australian Government to Communist activities was tender, considering all the circumstances. The information before the Government during the early months of the war pointed to the possibility of war with Russia, either as the result of the German-Soviet pact or of an independent attack by Russia on the Middle East, South-Eastern Europe, or Afghanistan. Russian invasion of Finland, coupled with speculation about Germany's interest in Scandinavia, raised a further risk that the Allies and the Soviet Union might become involved in hostilities against each other. Until Hitler struck in the East in 1941, there was never any certainty as to which side would gain Soviet aid. The Communist propagandists themselves had in mind the possibility that Great Britain and the Dominions might fight the Soviet Union.

While the general public might hear little from the Communists except their criticism of Australia's part in the war, officials charged specifically with maintaining the security of Australia saw also a danger in the existence of an active, organised and determined group whose whole sympathy was with a country which was already in alliance with the Allies' enemy and with which the Allies might some day find themselves at war. Attention was drawn to this situation by the Intelligence Branch towards the end of October 1939, and again in December; and on 5th January 1940 a memorandum by the Military Board was submitted to the War Cabinet. This memorandum stated that the well-known method of the Communists was to plant "cells" in units—one to spread propaganda and to lead agitation, and another to collect information and to learn as much as possible of military technique, especially the handling of arms. It was also known that the party had a special section whose principal task was to carry out this secret work in the armed forces and that recently branches had been instructed that the party's "unknown members" must join the militia, although the party's public fight against conscription was to continue. One definite instance at Ingleburn was quoted of a proposal that party organisers should work on the discontent of the troops over alleged profiteering in canteens and organise them for mass demonstrations against the Federal Government. A Communist directive of 9th November 1939 was quoted to show plans for sabotage in order to stop the "imperialist war". This directive read, in part, as follows:

> It should be realised that the sabotage contingency is to be introduced in our programme only when war is declared by Britain and France against Russia, a near possibility. What is to be done? We have surveyed in the past certain vital points in each State that would hamper definitely the war progress or the attack on the civil population. Since then many more defence undertakings have been set up and more are under way. We must give our intelligence forces the task of ascertaining the

[5] *Tribune*, 8 Mar 1940.

whereabouts of these projects, the size and extent of the aerodromes, the locations of munitions dumps, ordnance depots, clothing stores, coastal defence stations, etc., so that immediate action can be taken to hinder the war intentions of Menzies.

The report of the Military Board was supported by the Naval and Air Boards, both of which were mainly concerned with the possibility of sabotage. The Naval Board reported "clear indications that Communist agitation and activities are growing amongst naval personnel". The three services concurred in a recommendation that, if it were not in accordance with the Government policy to have subversive organisations declared illegal, authority should be given under National Security (General) Regulation 79 to enter and search the premises occupied by any members of the Communist Party so suspected, and, where proof of subversive activities could be obtained, to take action against individuals under National Security (General) Regulations 25 or 26, restricting their movements or ordering their detention.

The War Cabinet decided that it was inadvisable to declare the party an illegal organisation and instructed that a conference should be held of representatives of the services, the Commonwealth Investigation Branch, the Police Commissioners from the various States and the Department of Information to report on counter-measures. This conference produced a series of recommendations to the general effect that the Cabinet should instruct the various authorities to take action both to detect subversive activities, to institute proceedings against detected persons and to engage in counter-propaganda.

The Prime Minister, Menzies, in submitting these recommendations to the War Cabinet, however, was unwilling to give a general approval to the recommendations "in view of the danger of infringement of the rights and privileges of innocent persons should approval be given to principles without regard to the details and methods of implementing them and the provision of safeguards to prevent their abuse". At his instance, the War Cabinet set up a ministerial sub-committee on 6th February to consider the course of action to be followed. No action was taken immediately.

During the first quarter of 1940 Communist pamphlets, leaflets, newspapers, and the use of time purchased on commercial radio stations were reported to be increasing. Publicity censorship, which was working under a standing instruction "to approach the matter of Communist activities without political bias", was occasionally issuing warnings to editors but found that doubtful matter was usually claimed to be "political criticism" and thus to be immune from censorship. Two papers which had evaded the rules were eventually ordered to submit all copy to the censor. The Department of Information attempted to smother their anti-war propaganda with its counter-propaganda.

After further complaints that the method of voluntary censorship had been evaded, the Full Cabinet decided on 8th April on a general action against Communist publications and, pursuant to this decision, it was announced on 19th April that the manuscript of all Communist newspapers, pamphlets and leaflets must be submitted to censorship before

publication and that Communist publications were totally prohibited from writing on "the war, including recruiting and training; Russia and its Government; any strike within the Empire or any Allied country; or industrial unrest—real or imaginary". At the same time the Cabinet asked the Attorney-General to review the legal position and ascertain what powers there were to deal with subversive activities, the intention being that persons making seditious statements or performing subversive acts were to be prosecuted.

The Government, however, still hesitated to impose restrictive measures. The Governor-General's speech on 17th April 1940 had contained a warning that the limits of freedom of political thought and action were reached "when men profess an allegiance to a nation other than their own, when they plan to overthrow constitutional government, when they direct their activities to the defeat of their own country in a war to which that country is committed"; and stated that, when the vast majority of Australians were trying to win the war, "no gentle consideration can be extended to those whose real desire is that we should lose it".[6]

A month later, on 24th May, after a further investigation, a total ban was placed on the publication of nine Communist papers,[7] and on 15th June the Communist Party was declared an illegal organisation. Both those events came after a major change had taken place in the war situation. They were directly linked to an increase in the national danger. The ban on the party was imposed by National Security (Subversive Associations) Regulations.[8] The regulations provided that the Governor-General might declare the existence of any body, corporate or incorporate, to be "prejudicial to the defence of the Commonwealth or the efficient conduct of the war"; a body so declared became unlawful and was dissolved. The printing and publication of matter containing "unlawful doctrines" or the holding of meetings or raising funds to advocate or promote "unlawful doctrines" was also prohibited. "Unlawful doctrines" were defined as including any doctrines or principles which were advocated by a body which had been declared to be unlawful and any doctrines or principles whatsoever prejudicial to the defence of the Commonwealth or the efficient prosecution of the war.

While under the ban, the Communists continued to attempt to influence opinion against the war, with meetings, clandestine publications and, by taking advantage of the 1940 General Elections, the electioneering of a number of "independent" candidates. In this period Curtin, the Labour leader, as well as Menzies, came in for abuse as a "Fascist monster" and supporter of "monopolists, bankers and profiteering warmongers". In their propaganda the characteristic persuasions were that the war was being fought between "imperialist gangsters" and the people should support neither British nor German imperialism. It was being fought for the benefit of war profiteers and the working class should not allow themselves to be

[6] *Commonwealth Debates*, Vol 163, p. 8.
[7] *Commonwealth Debates*, Vol 163, pp. 1273-4.
[8] Statutory Rules 1940, No. 109, 15 Jun 1940.

the dupes of these "enemies" of their class. The only thing clear was that while the "rival imperialisms" were fighting each other, the Soviet Union, "that great fraternity of socialist nations" was more secure. Because of the influence of the Soviet Union in bringing in the new socialist order, it was the duty of those who hoped for that new order to support the Soviet Union. The Soviet-Japanese pact of neutrality was commended inasmuch as it contributed to "the security of the land of socialism".

Then came the German invasion of Russia. On the eve of that attack the Communists in Australia were still dismissing the rumours of an impending attack by Germany on the Soviet Union as calculated attempts by the British to turn the war against the Soviet Union and they were giving dark hints, based in part on the episode of Rudolf Hess's flight from Germany to England, of some conspiracy between Britain and the Axis. When the attack was in progress they insisted that, whatever aid might be given by Britain to Russia did not alter the "class character of the ruling monopolists in our own country or any other". Their purpose was clear. "The first duty of Communists, today as since 1917, is the preservation of the spearhead of the Socialist transformation of the world —the Union of the Soviet Socialist Republics. Our contribution in Australia will be to continue the struggle against the ruling class, to fight mercilessly, relentlessly against any attempt by them to switch their war for plunder against the Soviet Union. Such action is the best preparation for successful aid to the revolution in Germany and the rest of Europe." They expressed, too, their distrust of the allies of the Soviet: "The Anglo-American imperialists can switch the war even while keeping up a facade of real war on German towns, even while allowing supplies to reach Soviet Russia".

In the new circumstances the Communists also started to talk of the war as a "war of independence on the part of democratic peoples against Fascist imperialist aggression", and, interpreting it as such, to give their support to the war effort. It is plain, on an analysis of their statements, however, that what they were supporting was not the Australian war effort but the "people's war" which, in their interpretation of events, it had now become. Their loyalty was not to the nation but to their own idea.

Communist policy was expressed in demands for the closest relations with and fullest support for the Soviet Union, and in the promotion and advocacy of several movements to that end in which a great number of Australians, glad to have a new ally and seized with growing admiration of Russian resistance, eagerly joined. It also was expressed in renewed agitation for "freedom" for the party in Australia and in this agitation many Australians who were not Communists joined with enthusiasm. The phrase "civil liberty" was still one to which Australians in general responded readily.

The Communist Party gained from the increased admiration and friendly feeling towards the Soviet Union as an ally against Germany. Moreover, so far as the conduct of the war against Germany was concerned, they were henceforth pushing in the same general direction, even if not with

the same purpose, as the Australian Government. Thus more and more ears were receptive to the persuasions that the Communists were now intensely patriotic.

The distinctiveness in the Communist view became chiefly apparent in their enthusiasm for such popular and uncontrollable manifestations of patriotism as "a people's army" composed of men furnished with individual arms and trained in guerilla war and the use of home-made bombs; their resistance to the return of the A.I.F. from the Middle East; their campaigning in favour of military conscription, and their early and clamorous agitation for the opening of a "second front" in Europe. They were assiduous, too, in fostering admiration of the Russians at the expense of the reputation of other allies and contributed to the criticism of the United Kingdom which became vocal from time to time.

With the growth of pro-Russian feeling there was in practice some mitigation of the ban on their activities. Their pamphlets appeared more numerously and their known members appeared to enjoy considerable freedom of movement, speech-making and organising. It was one of the remarkable features of the changed attitude that, at a time when the organisation was still illegal its known officials were able to receive travel permits, it was able to obtain paper for the printing of its banned publications, additional telephones were connected to its offices, J. B. Miles (described as its general secretary) broadcast from the platform of the Sydney Town Hall at a demonstration to mark the first anniversary of the Soviet Union's entry into the war, and it published on at least one occasion a message of greeting to the Communist Party from a Minister in the Labour Government. An even more remarkable feature of the situation was its public campaigning during 1942 for the imposition on so-called "Fascists" in Australia of exactly the same restrictions and penalties which, when applied in its own case by the previous Government, it had represented to be a violation of "freedom".

It was not until December 1942, however, that the ban on the Communist Party was formally lifted. One of the major reasons for the delay had been the division of opinion in the Labour Party itself. The announcement was accompanied by explicit statements that the decision evidenced no sympathy by the Labour Government with any Communist doctrine.

The announcement also made it clear that the lifting of the ban was not a decision on any principle of civil rights or liberties. The prohibition of the party was removed after the Government had received "satisfactory undertakings guaranteeing assistance in war production and in preventing stoppages and absenteeism", and it was stated that if the undertakings were not observed the Government would reimpose the ban. "This decision of the Government means only that a very unusual ban or proscription which was imposed by a previous Government as a war measure to meet a particular war situation will be removed because that situation has completely changed as a result of Soviet Russia's fighting on the side of the United Nations," said the Attorney-General. The lifting of the ban was also accompanied by the promulgation of new National Security Regula-

tions against subversive conduct by individuals. On the same day the order banning the publication of newspapers issued by or on behalf of the Communist Party was revoked.[9]

[9] *Digest of Decisions and Announcements,* No. 56, p. 10.

APPENDIX 4

THE WARTIME TREATMENT OF ALIENS

A subsidiary aspect of the protection of civil liberties in wartime concerns the position of aliens and, in particular, refugees from enemy states or the nationals of states in subjection to the enemy.

In the five years immediately before the war over 9,000 German nationals had migrated to Australia besides 10,000 Italians and about 20,000 other continental Europeans, many of them refugees from Nazi or Fascist rule. There had not been time for the assimilation of most of these recent arrivals to Australian habits and many had not yet become Australian subjects.

The means for the control of aliens were provided by National Security (Aliens Control) Regulations. The most important measures taken during the first six months of war were the internment of enemy aliens; the registration of all aliens; and restriction on travel and movement, the requirement for enemy aliens being that they must obtain permission to leave the police district in which they resided while all aliens had to notify a change of abode. Enemy aliens might also be required to report periodically to the authorities and all aliens might be made subject to restrictions regarding the place of residence.[1]

The most severe of these measures was internment. The general policy laid down in the War Book was that internment of civilian enemy aliens on the outbreak of hostilities would be restricted to "the narrowest limits consistent with public safety and public sentiment". As a general rule, women were not to be interned but when the interest of public safety demanded, they would be kept in custody. This policy was amplified by instructions issued later to the Military Commands to the effect that internment was only to be resorted to when it was considered that other forms of control would not be adequate; there must be a reasonable case against an individual enemy alien before he was interned, but membership of Nazi or Fascist organisations was to be considered a *prima facie* ground for internment; in respect of refugees it had to be borne in mind that it was the practice of the Germans to use relatives and property in Germany as a means of exerting pressure to serve Nazi ends and therefore it was desirable that no refugee from an enemy country should be interned unless he had been given an opportunity to state his case, the onus being on the refugee to show that he had thrown in his lot with Australia to such an extent that there was no possibility of his yielding to pressure by the enemy.

As the result of intelligence work before the war, there had been prepared a small list of dangerous aliens, mainly leaders of hostile organisations, and these were rounded up immediately war was declared. Similar action took place when Italy entered the war. This action was considered

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[1] See Statutory Rules 1939, No. 88, 13 Sep, and No. 95, 21 Sep; Statutory Rules 1940, No. 44, 28 Feb, and No. 66, 22 Apr.

by the military authorities to have effectively broken up the hostile organisations for the whole of the war.

In practice the Minister's powers under the Regulations were delegated to the General Officers Commanding the various Military Commands and to District Commandants who issued orders for internment in accordance with their general instructions.

Up to the time of the entry of Italy into the war and the fall of France these powers were exercised moderately. With the increased danger of the Allies the restrictions became more cramping. By additional regulations, aliens or former aliens who had become naturalised had to obtain a special licence to be employed on ships and wharves and the packing or conveying of goods for export. Aliens were later prohibited from possessing or using, unless they obtained a special permit, any firearms, weapons, ammunition or explosives, petrol, signalling apparatus, carrier pigeons, motor vehicles, motor boats, yachts, aircraft, telephones, wireless apparatus, cameras, naval, military or air force maps, ciphers or codes. Transfer or leasing of land by enemy aliens was prohibited and other aliens had to obtain special permits for land transactions.

Moreover, internment of enemy aliens, which had hitherto been exceptional, tended for a time to be general, and individual hardship was imposed on alien refugees who were interned for no other reason than their foreign birth. The injustice of indiscriminate internment, however, roused Australians themselves and, as a result of public protests and appeals, the application of the security powers was made less drastic and at the end of November 1940 enemy aliens were given the right to submit objections to an Aliens Tribunal which could recommend release if it were satisfied that the detention of a person was "neither necessary nor advisable for the public safety, the defence of the Commonwealth or the efficient prosecution of the war", or that the release of the persons "would not be likely to occasion serious unrest in any Australian community".

At the time when the change of policy became effective there were 574 Germans and 1,544 Italians in internment together with 76 naturalised British subjects of German origin and 182 naturalised British subjects of Italian origin—a total of only 2,376 compared with nearly 20,000 recent arrivals from Germany and Italy or about 45,000 of German and Italian birth. It would appear that the majority of those interned at that date were held for a good reason, for in the subsequent twelve months the total only fell to 2,231. After the outbreak of war with Japan and the existence of a state of acute danger on the Queensland coast, the number of internees rose sharply largely through the internment of all Japanese in Australia, in conformity with a decision taken by the War Cabinet on 9th May 1941, and of large numbers of Italians in Queensland. The total of local internments rose to a wartime maximum of 6,780 in September 1942 (including 1,029 Germans, 3,651 Italians and 1,036 Japanese), but thereafter steadily declined until, by September 1944 the total was down to 1,380 (including 704 Germans, 135 Italians and 480 Japanese). From August 1942 the administration of the regulations was transferred from

the Minister for the Army to the Attorney-General although the Army remained responsible for the custody of internees. Internment camps were regularly investigated and reported upon by Official Visitors, in all cases members of the judiciary or magistracy, through whom numerous representations by individual internees were also forwarded.

During 1941 consideration was given to proposals to make aliens subject to the universal training provisions of the *Defence Act*[2] but no conclusive decision was reached. The question of compulsory non-military service had not yet arisen. After the entry of Japan into the war in December 1941, however, all aliens in common with Australians were made liable to some form of national service.

National Security Regulations issued in February 1942 distinguished between Allied nationals, enemy aliens, neutral aliens and refugee aliens, the last-mentioned being defined as "an alien who has no nationality, or whose nationality is uncertain, or who is an alien enemy in respect of whom the Minister of State for the Army, or a person authorised by that Minister to act on his behalf, is satisfied (a) that the alien was forced to emigrate from enemy territory on account of actual or threatened religious, racial or political persecution, and (b) that he is opposed to the regime which forced him to emigrate". Prisoners of war and internees were, of course, regarded as being in a category outside the scope of the regulations and any alien who had already voluntarily enlisted in the armed services was also exempted from the new provisions. The regulations required all aliens over eighteen years of age to register for national service. Any male allied national under sixty years of age who failed to volunteer for military service within fourteen days after he first became liable to register could be called upon to perform compulsory military service in the Citizen Forces. Any male "refugee alien" under the age of sixty could be called upon by the Minister for the Army to perform such non-military service as might be directed by the Minister for Labour.[3] This provision in regard to "refugee aliens" was extended almost immediately to include "any male enemy alien other than a refugee alien" and any male refugee alien under the age of sixty years who had not volunteered and been accepted for service in the armed forces.[4]

In March 1942 the War Cabinet decided that the whole pool of alien labour (refugee aliens and enemy aliens) should be made available to the Allied Works Council, which had been recently created as the constructing agency for the Australian Government for a great number of defence works, many of them long-term projects in remote areas. The regulations were amended to provide that all refugee aliens who had not volunteered for other service and all enemy aliens should perform such service as was directed by the Minister for the Interior, who administered the Allied Works Council.[5] This arrangement was also considered likely

[2] War Cabinet Minute 1008, 30 Apr 1941.
[3] Statutory Rules 1942, No. 39, 3 Feb.
[4] Statutory Rules 1942, No. 86, 25 Feb.
[5] Statutory Rules 1942, No. 103, 6 Mar.

to have the advantage of placing control of aliens under one authority and of serving the interests of security by removing aliens from the coastal areas, then in fear of invasion, into remote inland areas where they would be employed in large groups under easy surveillance.

In practice, however, the regulations did not yield as large a body of labour as had been hoped. For some months the call-up and employment of aliens was delayed while administrative difficulties due to the division of control between the Departments of the Interior, Labour, and the Army were sorted out.[6] For security reasons and, in the case of enemy aliens, to avoid reprisals against Australians in enemy hands, the employment of aliens on projects directly related to military operations was restricted. Difficulties arose in regard to rates of pay and conditions of employment both because in certain circumstances the aliens received pay substantially higher than that received by the regular Australian workman in a similar job and because in other circumstances they were objected to as a danger to the award rates enjoyed by Australians. A challenge to the call-up on legal grounds in the cases of C. K. Wagner and E. Grunseitt, which were carried to the Full Court of the High Court of Australia, caused a complete cessation of the call-up of refugees from late in 1942 to May 1943, until the legality of the regulations was upheld.

By various means, including the ignoring of instructions, appeals on medical grounds, the organising of popular support and by legal and political steps, some of the aliens resisted enrolment and the call-up. It is significant to the present inquiry that, throughout the war, these means of protecting their own interests were still open to aliens. In case of alleged breaches they were prosecuted in the Courts and, during the period 1942-45, 1,058 prosecutions were laid, 83 withdrawn, 28 dismissed and 947 convictions obtained for such offences as refusal to obey travelling instructions or a direction to work. In 305 cases sentences of imprisonment were imposed and the remainder were met by fines.

To avoid some of the difficulties, and in the hope of relieving the very severe manpower shortage then facing Australia, the War Cabinet decided in April 1943 to make further amendments to the regulations.[7] The scattered groups of aliens then employed throughout Australia were formed into a Civil Aliens Corps, under the administration of the Minister for the Interior. By this amended system the problems in relation to pay and conditions were settled by determinations by the Director-General of Allied Works, and those regarding allocation of manpower by directions given by the Director-General of Manpower, both acting under authority delegated by the Minister. The War Cabinet had hoped that the calling up of aliens might be extended and expedited and plans for an extensive drive for added manpower from this source were completed in June 1943.

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[6] An account of the administration of the system is contained in a typescript report by the Controller of Aliens, D. C. Gardyne: "A Record of the Civil Aliens Corps Established under the National Security (Aliens Service) Regulations, 1942-45". Allied Works Council, Melbourne, Aug 1945.

[7] Statutory Rules 1943, No. 108, 3 May.

The call-up yielded to the Civil Aliens Corps only 1,671 out of the 15,601 aliens registered between June 1942 and February 1945, and of these only 676 were employed on defence projects of the Allied Works Council, the remainder being employed by various authorities. The cost of administering a separate Civil Aliens Corps (approximately £50,000 a year for a labour force of 1,671) was considered to be excessive and eventually in May 1945 the War Cabinet decided to disband the corps, to enrol the men required by the Allied Works Council in the Civil Constructional Corps, and to place the remainder under the control of the Director-General of Manpower.[8]

The statistics show that from March 1942 to July 1945 the maximum employment of aliens at any time under the Aliens Service Regulations was slightly less than 4,000. The total of enemy and refugee aliens registered in this period was 15,769. Of these 10,435 obtained total exemptions from service—6,723 by decision of the manpower authorities, either because they were in key posts in industry or were rural workers, and 2,208 on medical grounds. A total of 796 refugee aliens and 264 enemy aliens were exempted because they had become naturalised or had enlisted in the Australian Military Forces. Of the 5,334 who were enrolled for service more than half were subsequently discharged, 1,936 of them as medically unfit. The work on which they were engaged was chiefly road construction, timber and firewood getting, charcoal burning and navvying. To dispose of some statements made in contemporary discussion of their lot it may be added that the deaths during service totalled nineteen, nine from natural causes, five from accident, three by suicide, and two by violence.

The special position of neutral aliens resident in Australia had previously come under consideration in May 1943, when the Consuls-General for Sweden and Switzerland protested against the calling up of Swedish and Swiss nationals by the Director-General of Manpower for "the carrying out of works of whatever nature required for war purposes by Allied Forces in Australia". There were only 2,845 males registered in Australia as neutral aliens and the number of these who were liable for civilian service was relatively small. The Government therefore relented in face of the diplomatic protest and left it to the manpower authorities to direct the services of neutral aliens into "essential industries" (instead of the Civil Construction Corps) and in so doing, to pay due regard to the request of Sweden and Switzerland that they should not be employed without their consent in organisations doing work for war purposes.[9]

The calling up of Allied aliens for military service was tested in the Courts in the case of Polites and Kandiliotes v. the Commonwealth, in which it was argued that there was a general rule of the construction of statutes according to which, unless the contrary intention was clear, it was presumed that they did not violate any recognised rule of international law; and that there was a well-established rule of international law that

[8] War Cabinet Minute 4182, 8 May 1945 and Agendum 186/1945.

[9] War Cabinet Minute 3187 on Agendum 483/1943, 24 Nov 1943.

aliens could not be compelled to serve in the military forces of a foreign state in which they happened to be. By this and other reasoning it was sought to establish the proposition that the National Security Regulations were a clear breach of an established rule of international law. The Full Court of the High Court upheld the validity of the regulations.[1]

[1] *70 Commonwealth Law Reports*, p. 60; 1945, *Argus Law Reports*, p. 113; *Australian Law Journal*, Vol 19, pp. 92-97.

APPENDIX 5

CONSCIENTIOUS OBJECTORS

The question of conscientious objectors in Australia was reduced in scope by the fact that military service overseas was wholly voluntary, and compulsory service for home defence in the militia was at first limited to a few age groups. Later in the war as more and more age groups were called up for the Australian Military Forces and the manpower shortage became acute, the question affected more persons. Nevertheless, in the whole of the war from 1939 to 1945 only 2,791 persons claimed exemption from compulsory military service on the ground of conscientious belief.

Before the war, under Section 61 of the *Defence Act,* the conscientious objector was exempted from compulsory service and during the September 1939 sittings of Parliament the Government assisted the Labour Party, against the opposition of the Cameron section of the United Country Party and a handful of U.A.P. members, to obtain amendments which gave a clearer and more liberal definition of "conscientious objector" and allowed an appeal, either on questions of fact or questions of law, to the High Court or the Supreme Court of a State if an application for exemption had been rejected by the Court authorised by regulations under the Act.[1]

Broadly, the provisions of the law then were that persons whose conscientious beliefs did not allow them to bear arms should be exempt from service in time of war; that "conscientious beliefs" included all conscientious beliefs whether or not of a religious character; and that the exemption should not extend to non-combatant duties.

A few months later deputations to the Prime Minister and Minister for the Army asked that these provisions should be extended to conform with the ampler provisions of the *Military Training Act* of 1939, of the United Kingdom, which distinguished between those conscientious objectors who could be made liable to military service of a non-combatant character, those who could be made liable to national service under civilian control, and those persons whose objection to war was so deep as to merit total exemption. The chief concern of the deputations was that it was impossible in Australia for a Court to grant total exemption; it could only exempt an applicant from combatant service.

The Government did not reject the argument but was loth to attempt further amendment of the *Defence Act* and therefore decided that the Minister for the Army should see what he could do to meet the situation by administrative action.[2] Throughout the greater part of 1940 the authorities acted indulgently and it was not until 1941, at a time when Mr Menzies was absent overseas, that a sterner attitude was shown to total objectors.

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[1] *Commonwealth Debates,* Vol 161—Defence Bill (No. 2) 1939. Act No. 38 of 1939.

[2] War Cabinet Minute 237, 5 Apr 1940.

A major reason for instituting a new practice in January 1941 was the belief that the plea of conscientious objection was more frequently being raised falsely by individuals to escape service. From about August 1940 onwards the number of claims for exemption on grounds of conscientious belief rose in a remarkable way, the highest monthly total of the war (260) being recorded in December 1940, while nearly two-thirds of the total applications for the whole war (1,712 out of 2,791) were received in the period from August 1940 to March 1941. This suspicion was incurred more particularly by members of the sect Jehovah's Witnesses, which had been banned as a subversive organisation and, as the authorities had reached the conclusion that the organisation was deliberately working to impede the war effort and should be stopped, it was hard for them to admit that its members should be excused as individuals on a plea of conscience. Inevitably, however, the institution of a stricter policy touched men of all faiths and some whose conscientious objections were deeply held. Between January and May some dozens of men who had refused to serve when called up for the militia were prosecuted. Those who were convicted were sentenced to imprisonment for periods ranging from a fortnight to six months. The policy of the Department of the Army was to try to distinguish initially between those whose objections were genuine and those who were only raising a pretext to avoid service. The second category were to be prosecuted in any case, but the genuine objector was only to be prosecuted for continued avoidance of service after he had been informed in writing that he would be required to serve only in non-combatant units.[3]

The number of prosecutions revived protests both inside and out of Parliament and led to renewed appeals to the Government to liberalise the law. On 2nd July the Minister for the Army recommended to the War Cabinet that the *Defence Act* should be amended to provide for total exemption as well as exemption from combatant service. The War Cabinet decided to adopt the law and practice in force in Great Britain but to give effect to this decision by National Security Regulations rather than by an amendment of the *Defence Act*. In the meantime steps were to be taken for the release of any persons undergoing imprisonment for refusing on conscientious grounds to carry out military service either in a combatant or non-combatant capacity and no further prosecutions for these reasons were to be instituted against persons genuinely holding such beliefs.[4]

By reason of delays due to other events the National Security Regulations allowing total as well as conditional exemption were not gazetted until February 1942,[5] but immediate effect was given to the Government's decision in July 1941.

Up to February 1943—after which no prosecutions appear to have been recorded—the total number of persons sentenced for evading service

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[3] War Cabinet Minute 972, 24 Apr 1941.

[4] War Cabinet Minute 1162, 2 Jul 1941.

[5] Statutory Rules 1942, No. 80, 23 Feb

was 98, including ten who had lodged appeals against the sentence and seven who had been sentenced for a second time.

A second phase of the problem arose when the direction of manpower to civilian service became more common. By further amendment of the regulations in 1942 men exempted from the military call-up might be registered as conscientious objectors on the condition that they could be directed to civil work under civilian control by the Minister for Labour and National Service.[6] Some of them, however, still objected to being directed to any work, civilian or otherwise, which was related to the waging of the war. The position towards the end of 1943, the peak of the war effort, was described in a paper prepared for the War Cabinet on 9th November 1943. This paper stated that approximately 868 conscientious objectors were registered under Regulation 8 of the National Security (Conscientious Objectors) Regulations. An order made by the Minister for Labour and National Service had specified that the conscientious objectors so registered could be required to work in the Civil Constructional Corps or to work as directed by the Director-General of Manpower, provided that no conscientious objector might be called upon to perform without his consent work directly connected with defensive or offensive works such as construction of aerodromes or work in munitions factories. It was estimated, however, that only about 300 of the 868 persons registered would be diverted as most of them were already engaged in essential services. Moreover, the fact that any man called up for the Civil Constructional Corps could object to certain classes of work on grounds of conscience would mean considerable administrative difficulty in perpetually arranging work to which they had no objection. Largely because of the small number of men involved and the administrative difficulties which would be caused by directing them into war work they had been largely left undirected. Moreover, there were some men who seemed likely to create further administrative difficulties by an insistence on their rights if and when they were called up. For example, a case was made on behalf of conscientious objectors that if, having been reserved from military service, they were called up for civil service they should be entitled to an allowance for clothing in lieu of the uniform which would have been supplied to them if they had agreed to serve in the army. A case was also made that, being civil employees, they should have civilian rates of pay and civilian industrial conditions—a plea that was reinforced by the likelihood that other workmen would object to working alongside men receiving less than award rates.[7]

The War Cabinet discussed the item but, in view of the smallness of the prospective gain in manpower and the administrative difficulties, allowed the subject to lapse.

Conscientious objection was thus not a major obstacle to the use of Australian manpower either on the military or the civilian side of the war effort nor did it become an occasion for any gross disregard of

[6] Statutory Rules 1942, No. 307, 15 Jul 1942.

[7] War Cabinet Agendum 474/1943, 9 Nov 1943.

individual liberty. Any who claimed to have "suffered for their conscience sake" for a protracted period during the war only did so after they had had the benefit of a system of registration and inquiry which was designed to protect the claims of the individual.

Throughout the greater part of the war the procedure under the National Security Regulations was that any person liable to military service could apply to be registered or enrolled as a conscientious objector. Conscientious belief was defined as "any conscientious belief, whether the ground thereof is or is not of a religious character, and whether the belief is or is not part of the doctrines of any religion". The application was heard by a court of summary jurisdiction, i.e., one constituted by a police, stipendiary or special magistrate. There was a right of appeal to the appropriate higher courts. The court of summary jurisdiction, if it found that the applicant held a genuine conscientious belief, could either direct that he be enrolled as liable to be called up for non-combatant duties in the Citizen Forces or that he be registered as a conscientious objector, and thus exempted from any military call-up, on the condition that he should perform such work of a civil character and under civilian control as was specified by the Minister for Labour and National Service. As we have seen above this did not in practice mean direction to perform any work against his conscience.

Of the 2,791 applications for exemption on grounds of conscientious belief, 636 were rejected as not being genuine and 1,076 applicants were directed to non-combatant duties. Of the remainder, 973 were granted conditional registration and 41 unconditional registration as conscientious objectors, while 65 applications were still pending when hostilities ceased.

APPENDIX 6

INDUSTRIAL DISPUTES IN WARTIME

During six years of war, from the fourth quarter of 1939 to the third quarter of 1945, 5,824,439 working days were lost in Australia by industrial disputes. This represents a considerable leakage from the total war effort. To avoid exaggerating or misunderstanding the importance of the loss, however, it is necessary to look more closely at the figures in relation to industrial disputes. At the end of the war there were 1,914,100 wage and salary earners in employment in Australia, excluding rural workers, domestic workers in private homes, and persons on the paid strength of the defence forces[1] and thus the loss of less than six million working days in six years has to be contrasted with the fact that about 3,000,000,000 working days would be counted on the credit side during the same period.

When the figures of working days lost are examined in closer detail it will also be found that 4,462,925 working days were lost in New South Wales alone, the total days lost in the rest of Australia during six years being only 1,361,514. The exceptional experience in New South Wales is not due to the high proportion of wage and salary earners employed in that State. Whereas at the end of the war there were 781,800 employees in New South Wales out of an Australian total of 1,914,100 (or roughly 40 per cent) the working days lost during the war in New South Wales were 76 per cent of the Australian total. This indication of a greater measure of industrial unrest in New South Wales than in the rest of Australia is also borne out by the fact that out of a wartime total of 4,123 industrial disputes, 3,662 (88 per cent) occurred in New South Wales.

The exceptional experience of New South Wales, however, clearly has some relation to the further fact that the greatest loss of working days by industrial disputes in wartime occurred in coalmining and in factories, the other groups of industries being comparatively free from major disputes. About 53 per cent of the total loss of working days during the war occurred in coalmining and employment in the coal mines was preponderantly employment in New South Wales, there being at the commencement of the war 16,581 workers in New South Wales coal mines out of an Australian total of 22,011, and at the height of the war 17,468 out of an Australian total of 23,503.[2] Factory employment was less predominantly employment in New South Wales, there being, at the height of the war, an average of 326,156 employees in New South Wales out of an Australian total of 772,602.

A comparison between the experience of New South Wales and that of the other States also shows that, whereas the number of disputes in New South Wales continued to rise during the war period, in the remaining States it tended to level off until the closing six months of the war.

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[1] *Commonwealth Year Book* No. 36, p. 432.

[2] *Commonwealth Year Book*, No. 36, p. 1001.

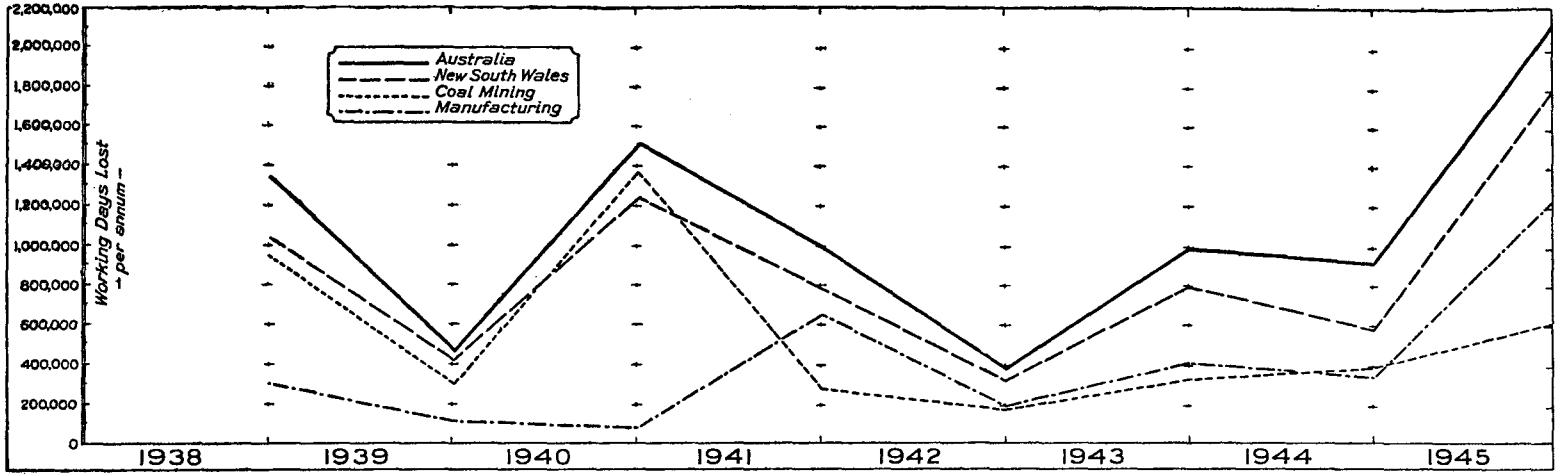
While making full allowance for the effect of coalmining disputes on the New South Wales total, it would still appear that the extent of industrial unrest in all industries in that State differed from the experience of the rest of Australia. Throughout the war, in the utterances of Labour leaders on the political side, as well as the statements of the more conservative industrial leaders, there can be found evidence of a view that New South Wales was regarded by the trade union movement itself as the centre of the greatest contention.

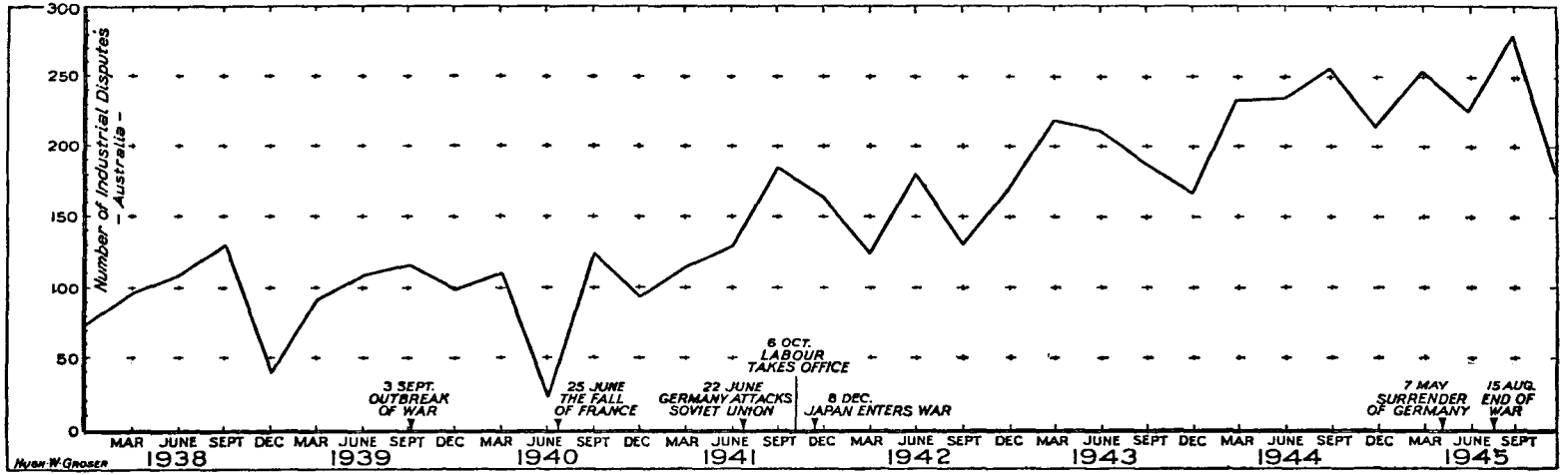
A study of the occurrence of industrial disputes in Australia during the period of the war reveals an apparent relationship between the occurrence of industrial stoppages and certain crises of the war, and this relationship could, with minor exceptions, be traced in all the States. The accompanying diagram based on the quarterly figures for the whole of Australia in relation to the number of disputes, the number of establishments involved, the total working days lost, and the total of work people involved, shows that in the second half of 1938, when war was imminent, there was a marked decline in industrial disputes, but after the commencement of the war and in the first half of 1940, during the so-called "phoney war" period, industrial disputes increased in number and severity. The crisis presented by the fall of Norway and the attack on France was accompanied by a steep decline, but later in 1940 industrial unrest increased again and generally tended to increase until in the last quarter of 1941 there was again a sharp fall. The effect of the danger presented to Australia by Japan might be traced through 1942 but towards the end of that year industrial unrest again increased, and rose to another peak in 1943. Unrest was sporadic throughout 1944 but, with the end of the war in sight, soared to even greater heights at the end of 1945.

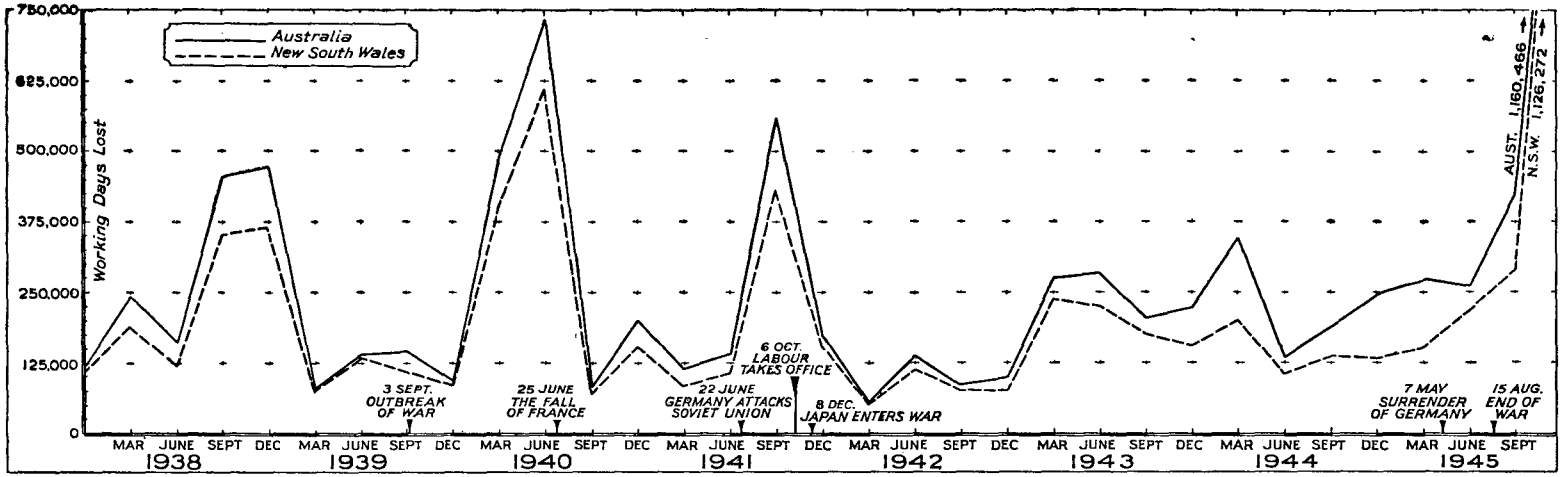
This relationship between particular national crises and a diminution of industrial unrest may not have been a direct relationship of cause and effect. The occurrence of a crisis was also accompanied by additional administrative measures designed expressly to minimise industrial stoppages. It is not possible to say how much of the change was due to response by the people to emergency and how much was due to administrative action.

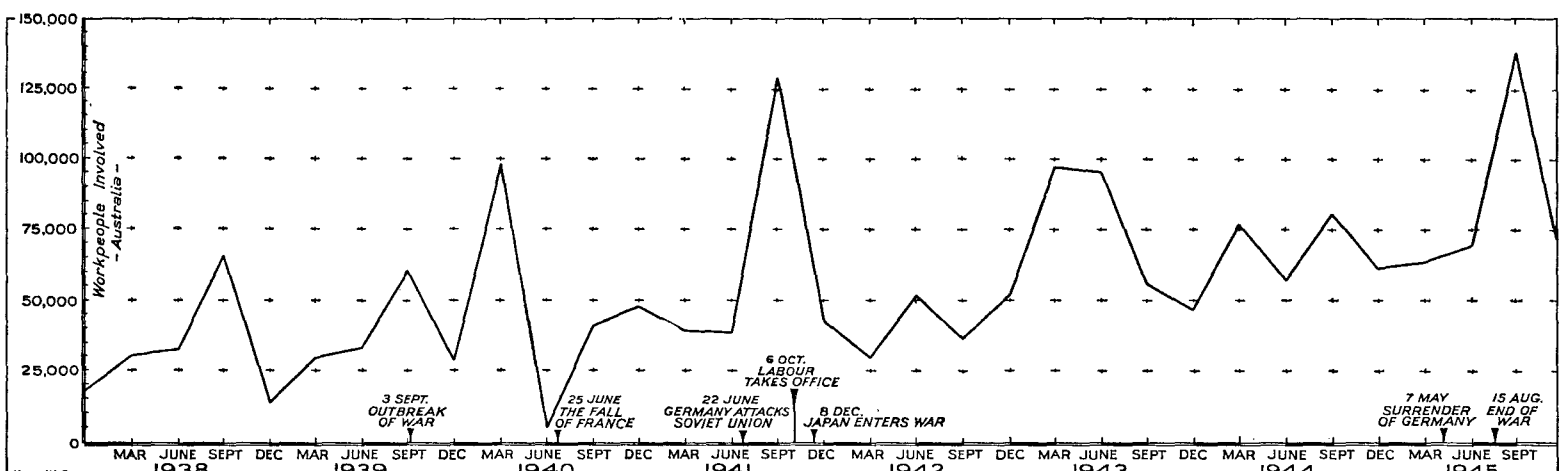
Closer scrutiny of the occurrence of disputes suggests that there may have been a relationship between the German attack on the Soviet Union in June 1941 and a decline in the number of disputes, and between the agitation for a second front in 1942 and an increase in the number of disputes. There are also some indications that the change to a Labour Government in October 1941 was accompanied by a downward trend in industrial unrest, although the experience of the Labour administration during the remainder of the war was certainly no happier than that of its predecessor.

One further element which is more clearly revealed is the improvement in the machinery for the settlement of disputes. A comparison between the number of disputes and the total working days lost in consequence of those disputes shows that disputes were settled more quickly


2,200,000
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Working Days Lost
– per annum –
Australia
New South Wales
Coal Mining
Manufacturing
1938
1939
1940
1941
1942
1943
1944
1945


300
250
200
150
100
50
0
Number of Industrial Disputes
– Australia –
3 SEPT.
OUTBREAK
OF WAR
25 JUNE
THE FALL
OF FRANCE
22 JUNE
GERMANY ATTACKS
SOVIET UNION
6 OCT.
LABOUR
TAKES OFFICE
8 DEC.
JAPAN ENTERS WAR
7 MAY
SURRENDER
OF GERMANY
15 AUG.
END OF
WAR
MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT
1938
1939
1940
1941
1942
1943
1944
1945
HUGH W. GROSER


Australia
New South Wales
Working Days Lost
750,000
625,000
500,000
375,000
250,000
125,000
0
AUST. 1,160,466
N.S.W. 1,126,272
3 SEPT. OUTBREAK OF WAR
25 JUNE THE FALL OF FRANCE
22 JUNE GERMANY ATTACKS SOVIET UNION
6 OCT. LABOUR TAKES OFFICE
8 DEC. JAPAN ENTERS WAR
7 MAY SURRENDER OF GERMANY
15 AUG. END OF WAR
MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT
1938 1939 1940 1941 1942 1943 1944 1945


Workpeople Involved - Australia -
150,000
125,000
100,000
75,000
50,000
25,000
0
3 SEPT. OUTBREAK OF WAR
25 JUNE THE FALL OF FRANCE
22 JUNE GERMANY ATTACKS SOVIET UNION
6 OCT. LABOUR TAKES OFFICE
8 DEC. JAPAN ENTERS WAR
7 MAY SURRENDER OF GERMANY
15 AUG. END OF WAR
MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT DEC MAR JUNE SEPT
1938 1939 1940 1941 1942 1943 1944 1945
HUGH W. GROSER

as the war went on. In the first two years of the war the loss of working days was higher in proportion to the number of disputes occurring than it was in the middle years. A clear improvement is discernible firstly after the introduction of the new machinery of conciliation by the Menzies Government towards the end of 1940 and secondly in the handling of disputes by the Labour Government from 1943 onwards. Particularly in the March and June quarters of 1943, although the graph of the number of disputes, the number of workpeople involved and the number of establishments involved, rose to a high peak, the graph for the number of working days lost flattens out to a plateau and, while the national totals for the number of disputes rises steadily from 1940 onwards, the total of working days lost is kept below the 1940 maximum until 1945.

The most serious effect of wartime industrial disputes was undoubtedly the loss of actual production and the consequent effect on transport and munitions. There were periods of acute crisis as the result of coal shortages. These are fully set out together with the account of the special circumstances of the coalmining industry in the Report of the Commissioner appointed by the Labour Government on 12th January 1945 to enquire into and report upon the coalmining industry.[3]

Yet the effects of industrial disputes were not solely in the loss of actual production and the resultant difficulties in munitions production and transport. Less clearly measurable but scarcely less important were the effects of a more subtle kind on the conduct of the war. The exceptional measures which had to be taken to maintain production, to conciliate disputants and to handle the political and administrative difficulties which continually surrounded the vital question of coal supplies were one of the major distractions of national leaders from the conduct of the national war effort. One Prime Minister had his reputation undermined and another worried himself sick over strikes. Furthermore, strikes became an occasion of some recrimination and much misunderstanding and a cause of dissension within the community itself.

The causes of industrial disputes in wartime were, broadly speaking, the same causes as those classified in peacetime—claims in relation to wages, hours of labour, protection of the rights and interests of the unions, objection to the employment of particular classes of persons, working conditions. As the war went on a greater proportion of disputes concerned working conditions.[4] This is an understandable reflection of strain and discomfort caused by rapid expansion of industry, the influx of new workers to unfamiliar occupations, and the urgency of the work. Contemporary official reports make it clear, too, that constant and deliberate efforts to hold up industry were being made by certain elements in the trade union movement called "irresponsibles" by the Labour leaders and "extremists" or "Communists" by the non-Labour leaders, and that they had a considerable measure of success in aggravating grievances which might otherwise have been readily adjusted. They were also eager to use the strike

[3] *Commonwealth Parliamentary Papers 1945-46*, No. 51.
[4] *Commonwealth Year Book* No. 36, p. 442.

as a political weapon to gain political ends, for example, in their agitation for the opening of a second front in Europe. When not making a direct political appeal of this kind, the sort of grievances on which they appeared to play most successfully were those arising from inequalities in pay, the allegation that private owners were making big profits, the discomforts and irritations arising from housing shortages, overwork, night and week-end shifts and the pressure of speeding up production.

APPENDIX 7

THE CASE OF RATLIFF AND THOMAS

In December 1940, Horace Ratliff, an Australian-born labourer, unmarried, 46 years of age, and Max Thomas, a New Zealand-born labourer, aged 29, were charged jointly in four charges under Section 42, Sub-section 1(b) of the National Security (General) Regulations. Each was also charged separately under Section 17A, Sub-section 1(c). Each was sentenced to serve a total of six months' imprisonment with hard labour, their various sentences being made concurrent. The Magistrate also required each of them to enter into a bond to observe the Regulations under the *National Security Act* for the duration of the war but each refused to do so and incurred a further sentence which was also served concurrently with the previous sentences. The allegations against them concerned the possession of a typewriter copying machine, documents and publications, and it was stated in evidence that they had rented a house at Como under an assumed name in order to carry on the preparation and distribution of Communist propaganda. After serving the sentence and being released, they were interned, the recommendation by the military authorities for their internment being based first, on their active association with Communism both before and after the declaration of the Communist Party as an illegal association, and, second, their disregard of National Security Regulations, combined with their refusal to enter a bond to observe the Regulations for the duration of the war.

The decision to intern them was made after consultation with the Advisory War Council. In Advisory War Council Agendum No. 27, of 18th March 1941, the Minister for the Army said that, acting in accordance with a policy declared by the War Cabinet on 3rd April 1940, he had refrained from ordering the detention of persons against whom the evidence consisted solely of membership of a subversive association or the profession of Communism as a political doctrine. The War Cabinet required that before an order was issued the Minister for the Army must be satisfied that the person concerned had been engaged in subversive activities or was otherwise engaged in activities contrary to the interests of national security. The Minister had been requested by the military authorities to issue detention orders in respect of two professed Communists, Thomas and Ratliff, and he believed that he would be acting in accordance with the present policy if he exercised his power but, before doing so, he sought the views of the Advisory War Council as to whether he was justified in so believing and he gave the Council the information presented to him about the two men. He also sought the approval of the Advisory War Council to "the extension of the present policy with regard to the internment of Communists" along the following lines:

Membership of a subversive association is not, in itself, a reason for internment. The Minister may, however, if satisfied with respect to a particular person shown to

have been a member of a subversive association that he has by act of speech attempted to impede the successful prosecution of the war, or to undermine the cause for which Australia is at war, order that such person shall be detained. Provided that internment shall only be resorted to when no other form of control is considered as adequate to prevent the continuance of such acts and/or utterances.

The Council, at a meeting on 4th April, took the view that a definite rule could not be laid down but each case must be decided on its merits by the Minister for the Army, although non-Government members individually would assist him with their advice if he wished.[1] There is no record of any objection having been raised to the idea of internment by Ministerial order after release from imprisonment.

Ratliff was released from gaol on 3rd May and Thomas on 7th May. It was alleged that both men again engaged in spreading Communist propaganda and doing whatever they could to hinder the war effort. On 26th May the Minister for the Army signed orders for their detention and both were interned on 14th June. A week later, on 22nd June, Germany attacked Russia. Ten days later, on 2nd July, the two men attracted attention to their case by starting a hunger strike and their "martyrdom" became the occasion of public agitation, apparently originating in protests by the Ironworkers' Union, of which Thornton, a Communist, was secretary.

On 16th July the Minister for the Army again brought their case before the Advisory War Council for an expression of opinion, giving the Council full details of the case, although in view of the fact that both men had lodged objections to internment and an Appeal Tribunal would hear their objections, it would have probably been more proper to have used the usual machinery of appeal. In the Council, Evatt who on 9th July had publicly taken up the cause of the men, repeated the argument which had been popularised during the agitation for the release of the men that they were being punished twice for the same offence. His second point was that the entry of Russia into the war had now transformed the attitude of Communists and there was no reason to continue to detain the men. After the meeting, in a public statement, he added the point that Australian citizens should be charged with a specific offence and given an open trial and not detained "on the fiat of the Minister".

The Advisory Committee, Mr Justice Pike, W. H. Wilson and S. McHutchison, heard the objections of Ratliff and Thomas against internment on 18th and 19th July. The Committee permitted counsel for the objectors to produce evidence that the detention of the men had already led to a great deal of industrial unrest and that such industrial unrest would be greatly increased if their release were not granted, although the committee refused to accept the proposition that it would be better to recommend their release than to allow industrial unrest to hamper the war effort, for the acceptance of such a proposition would be to hand over the functions of the committee to outside bodies and admit that in any and

[1] Advisory War Council Minute 245.

every case sufficient manifestation of unrest could lead to the release of the internees however strong the evidence against them.

In giving this evidence a trade union witness said that the ground for protest and hence industrial unrest was the belief that the men were being punished twice for the same offence and internment had been made without public trial. The committee found:

> It appears to us that these reasons entirely avoid what is the real reason for internment. Internment is not in any shape or form a criminal proceeding, but is used purely and simply for the purpose of protecting the State from the efforts to hamper the war effort by the particular internee, and we venture to think that if the trade union bodies had had before them the evidence directed to this particular feature they would not have arrived at the opinions they did and as expressed in the resolutions passed by them.

The committee found from the evidence that there was no doubt that up to the time of their arrest the men were actively engaged in deliberately hindering by every means in their power the war effort of Australia, that their views had not changed up to 22nd June and that their intention after release from prison was to carry on as before. The change on 22nd June was, according to their own solicitor, by no means a change of heart but a change in their opinion as to the best method of obtaining their ultimate aim, a form of society based on that obtaining in Russia. If no question of a changed attitude had arisen, the committee could not possibly have recommended any other course than continued internment in the interests of the security of the Commonwealth. The question for the committee therefore resolved itself into this: Is the change of opinion a genuine one and is the undertaking they are prepared to give a sufficient safeguard against the continuation of the hampering of the war effort? The committee had doubts on this point and felt unable to say that it was satisfied that it was neither necessary nor advisable for the public safety or the defence of the Commonwealth that the two men should continue to be detained.

Menzies in a statement on 23rd July added a further answer to the question saying that the Government could not risk the war activities of the country by accepting the assurances of citizens who could profess to change their minds with such facility and who even now apparently felt no sense of duty towards their own country as such.

At a meeting of the Advisory War Council on 29th July the findings of the committee were circulated for information. Evatt brought forward representations made by trade unions for release of the men to prevent continuance of industrial unrest. Beasley urged the importance of doing something to strengthen the hands of the moderate elements in the trade union movement who were trying to prevent stoppages. It is plain from the meeting that the question had ceased entirely to be one of rights and wrongs and had become rather one of trying to prevent stoppages.[2]

After a change of government the men were released by order of the Minister for the Army on 21st October, on a personal bond of £50, with a surety of £100 in each case given by the President and Assistant Secretary

[2] Advisory War Council Minute 443.

of the New South Wales Trades and Labour Council that they would observe and comply with the provisions of the *National Security Act* and Regulations. They were also required to give a personal undertaking in the following terms:

> I believe that it is the duty of all Australian citizens to work for national unity and a maximum war effort to secure victory over Nazism and Fascism as early as possible.
>
> I undertake to assist in the development of this duty and I will refrain from all acts which might impede the war effort in any way. Furthermore I will do all in my power as an individual to ensure the speedy conclusion of the war with victory for the British Commonwealth of Nations and her Allies.

Their release was hailed in some quarters as a vindication of various principles of civil liberty. The essential feature of the episode, however, would appear to have been the organisation of a public protest against the way in which the Minister had used his powers under Regulation 26. There was no legal question about the possession of the powers nor was the wartime necessity of confiding such powers to the Executive openly challenged. In the organisation of the protest it is plain that the concern was not only with principles of civil liberty but with finding an occasion for a political demonstration and the object of attack was the Government itself as well as the alleged abuse of power.

The above account, based on the official documentation, may be amplified by and contrasted with the contemporary account objectively given, according to the information available, in *The War and Civil Rights,* 3rd Series, and *Liberty and the Labour Government,* which were published by the Australian Council for Civil Liberties in October 1941, and June 1942 respectively.

APPENDIX 8

A.I.F. GROSS MONTHLY RECRUITING FIGURES SEPTEMBER 1939 TO DECEMBER 1941

1939	
September	—
October	7,853
November	9,991
December	1,810
1940	
January	811
February	217
March	1,316
April	5,441
May	8,000
June	48,496
July	21,022
August	32,524
September	1,049
October	995
November	1,028
December	2,441
1941	
January	2,572
February	2,594
March	6,512
April	4,746
May	9,875
June	5,762
July	5,910
August	7,622
September	4,453
October	4,016
November	4,702
December	10,669

APPENDIX 9

THE WINKLER CASE

The Winkler case is likely to remain one of the minor mysteries of corridor politics during the war years because of the difficulty of finding any satisfactory explanation of what prompted the principal figure, Joseph Winkler, to act in the way he did. Winkler was a journalist who, before the war, had been mainly engaged on Labour Party newspapers. He was one of the original recruits brought into the Department of Information by Sir Henry Gullett and after nine months' service was temporarily transferred, in June 1940, to the Prime Minister's Department. In February 1941 while Fadden was Acting Prime Minister, he was appointed Assistant Publicity Officer in that Department and, as such, was used as an intermediary in certain transactions, carried out under the instructions of the Attorney-General, Hughes, and with the approbation of Fadden, to assist a campaign designed to check industrial unrest.

Early in 1940, when the Menzies Government had become concerned over the headway being made by subversive propaganda, particularly by the Communists in trade unions, Hughes had been given the responsibility of undertaking counter-propaganda and, for that purpose, in conformity with a practice since the 1914-18 war, a special fund had been established on which the Attorney-General could operate. The operations under the fund were subject to review by the Auditor-General. From this fund, with Winkler as intermediary, a payment of £300 was made in March 1941 to a union official. Other payments were made to subsidise a body known as the Democratic Front, which purported to be a public and voluntary organisation.

On Saturday, 13th September, Winkler called on Curtin at his hotel bedroom in Canberra and handed him a memorandum and copies of confidential and official documents in substantiation of the statements in the memorandum. From statements made publicly at a later date it would appear that the major matters referred to in these papers were (a) certain confidential messages exchanged between Fadden and Menzies when Menzies was in London; (b) the "secret fund" and the disbursements made from it; and (c) allegations that a series of telephone calls from ministerial offices of Menzies in Parliament House, Canberra, had disclosed a distorted account of the proceedings of the Advisory War Council at a meeting with the Commonwealth Bank Board officials to discuss the Budget and financial proposals. Winkler suggested to Curtin that he might ask questions in the House on these matters and offered the draft text of a suitable question.

Curtin's first reaction, according to one of those closest to him, was to suspect that someone was trying to trap him (Curtin) into foolish action. In any case, his sense of honour led him to show the documents at the earliest opportunity to Fadden and to Menzies. Subsequently, Curtin

said in public: "My opinion is that the documents were given to me because, in view of what happened in recent political dissensions, it was believed that by giving this information to me it would enable an attack to be made on Mr Fadden".

The public controversy centred chiefly on the existence of the "secret fund" and the demand for an inquiry was reinforced by the public denial by union officials that any payments had ever been made, as alleged, to the president of the Miners' Federation by the hands of Winkler. When, eventually, a Royal Commission was established its terms of reference were limited to these questions and to the allegations regarding telephone conversations about the Budget. The Royal Commissioner, Sir Percival Halse Rogers, found a total sum of £4,995 was paid into a special account, from which a total of £4,942 was paid out to defray the actual expenditure of a campaign carried on under the name of the Australian Democratic Front; this sum included an amount of £300 which was, in fact, paid out through Winkler to Charles Nelson, president of the Miners' Federation, in accordance with instructions of Fadden, to be used in a campaign to check further strikes in the coalmining industry, but no such campaign was conducted and there was no evidence to show what happened to the money after it was received by Nelson. On the third question, the Royal Commissioner found that there was no disclosure of any item connected with the Budget or with the financial proposals of the Government in the telephone calls from the office of Menzies.

(*Commonwealth Debates,* Vol 168; Royal Commission to inquire into circumstances under which certain public moneys were used etc. Report of the Hon. Sir Percival Halse Rogers, K.B.E., Royal Commissioner, 21st November 1941; Australian metropolitan newspapers of September 18, 19 and 21, 1941.)

APPENDIX 10

THE WITHDRAWAL FROM TOBRUK

The recounting of this episode would have been left to the military historian if Mr Winston Churchill in *The Grand Alliance,* the third volume of his history of the Second World War, had not presented the story as being largely a story of political controversy affecting the reputation of successive Australian Prime Ministers. In so doing he did not have recourse to the Australian documents, but prepared his narrative from communications which passed between himself and Menzies, Fadden and Curtin.

In a message of 21st June 1941, sent to the G.O.C., A.I.F., about the situation in the Middle East, Menzies asked among other questions whether Blamey was satisfied that Tobruk could hold out or should be totally evacuated, and Blamey replied that the Tobruk garrison could hold out "for the present" and there was no immediate anxiety although evacuation was being considered as part of the study of the whole question. These messages, however, were the outcome of a general anxiety about the military situation and did not raise the question of withdrawing Australian troops and continuing to hold Tobruk with other troops.[1]

So far as Australian political leaders and the Australian War Cabinet were concerned, the starting point in discussion of the withdrawal of the Australians was the receipt on 19th July 1941 (nearly eight weeks after Mr Menzies had returned to Australia from London via the United States) of a personal telegram addressed to the Prime Minister by General Blamey. Blamey said that the garrison at Tobruk had been engaged in continuous operations since March; its fighting value was now on the decline; and he was pressing for its relief. Furthermore, he was also pressing for the congregating of the whole of the A.I.F. in Palestine as a unified force in accordance with the agreement for its use which had been made between the United Kingdom and Australian Governments. He urged the general argument that after any series of operations it was most desirable that the troops involved should be given a respite to refresh them, restore discipline and re-equip. Blamey advised the Government that, during the next few weeks, a respite from operations in Tobruk was probable and that the only real obstacle to providing fresh troops for Tobruk or to reassembling the A.I.F. in Palestine was the unwillingness of the Middle East Command to do so. Blamey stated that only the movement of personnel was involved.

When Blamey sent this telegram the Syrian campaign had just ended and the 7th Australian Division was in Syria and redeploying in defensive positions. The campaign had been arduous and costly and the division was below strength. One brigade of that division was in Tobruk with the 9th Division; during the Syrian campaign the 7th had been brought up to strength by adding to it an improvised brigade made up from units of the 6th Division that had suffered less severely than others in Greece and

[1] Telegrams from Menzies to Blamey, 21 Jun 1941; and Blamey to Menzies, 23 Jun 1941.

Crete. The remainder of the 6th Division was in Palestine reforming and retraining after Greece and Crete. Of its nine infantry battalions two, though depleted, had been hurried into Syria in June, three had been captured in Crete in May and were being rebuilt from the ground up, four had lost heavily in Greece and Crete, where the artillery regiments had been forced to abandon all their guns. On 12th July one battalion of the 6th Division was 107 strong, the other eight ranged from 458 to 687; the division was 10,000 strong (its establishment was about 17,500); there were 913 troops in the reinforcement depot, 2,113 at sea. Thus after four campaigns and with a fifth in progress the A.I.F. was still widely dispersed: two brigades of the 7th Division and one of the 6th in Syria; two brigades of the 6th in Palestine; the 9th Division plus one brigade of the 7th in Tobruk; and a unit of the 7th on Cyprus.

On the day on which he despatched his cablegram to the Prime Minister, Blamey also wrote to the Commander-in-Chief, Middle East, General Auchinleck, recommending that action be taken forthwith for the relief of the Tobruk garrison. His case rested on first, the effect of continuous operations on the 9th Division, including the report of "a Senior Medical Officer recently down from Tobruk" that in the last few weeks there had been "a definite decline in the health resistance of the troops" and, second, the agreed policy that the Australian troops should operate as a single force. On the second point, Blamey pointed out that the Australian Corps was probably the most completely organised body in the Middle East, it would certainly be required for operations within the next few months and if it was to render full value in accordance with the wishes of the Australian Government and as agreed by the United Kingdom Government it should be reassembled as early as possible.

On 20th July Menzies sent a personal cablegram to Churchill. He stated first that the Australian Government regarded it as of first-class importance that, now the Syrian campaign had concluded, Australian troops in the Middle East should be aggregated into one force. This would not only give an opportunity for refreshment, restoration of discipline and re-equipment after strenuous campaigns, but would also give immense satisfaction to the Australian people, for whom there was great national value and significance in knowing that all Australian soldiers in any zone formed one Australian unit. This principle had been fully accepted by both governments when Australian troops were first despatched to the Middle East.

Second, Menzies stated the particular case of the Tobruk garrison which had been in continuous operations since March. If they could be relieved by fresh troops, the movement of personnel only being involved, the reassembling and the re-equipment of the A.I.F. in Palestine would then present no major difficulty. He asked Churchill to give directions to the Middle East Command along these lines and concluded: "The comparative lull now obtaining in Libya seems to make this an ideal time for making the above move, to which we attach real and indeed urgent importance".

Over a fortnight later, Menzies, having received no reply from Churchill to these representations and having in the meantime received by mail a copy of the letter from Blamey to Auchinleck, sent a further personal cablegram to Churchill on 7th August, asking for an early reply to his representations. He said that his War Cabinet was "considerably perturbed" over the report from Blamey about the condition of the troops and, as fresher troops were available, he pressed for the early relief of the 9th Division and the re-assembling of the Australian Corps.

A reply from the Secretary of State for Dominion Affairs on 9th August—Churchill was then absent from London at the Atlantic meeting with Roosevelt—informed the Australian Government that the telegrams from Menzies had been referred immediately to Auchinleck with a direction that the Australian views should be given full and sympathetic consideration. Auchinleck was in London for consultation and the points in the further cablegram of 7th August had been discussed with him. "We entirely agree in principle that the A.I.F. should be concentrated into one force as soon as possible," the Secretary of State said, "and General Auchinleck has undertaken to see to this immediately on his return. He does not anticipate any difficulty except in regard to the garrison of Tobruk. He is as anxious as you in this connection to relieve this garrison." Between the 19th and 29th August the 18th Brigade was withdrawn from Tobruk to rejoin the 7th Division.

On 29th August Fadden became Prime Minister. On 4th September a telegram was received from Blamey asking the Government to insist upon the reassembling of the A.I.F. as a single force and, in order to effect this, the withdrawal of the 9th Division from Tobruk. Unless the Government took a very firm stand he was convinced that the 9th Division would be left in Tobruk indefinitely. In support of his plea, Blamey reported that the relief of the garrison was strongly opposed in the Middle East and he had been asked to put the 9th Division artillery into Tobruk to relieve the British artillery there, but he had refused as he considered that such a move would mean that the 9th would be kept in Tobruk indefinitely. The garrison had now been besieged for five months and there had been a definite decline in physical condition. If relief were not insisted upon the decline in the fighting value of the 9th would be considerable and the period of recovery correspondingly long. Further, should the force be attacked with strength and determination after one or two months of further decline, it would not be fit to withstand such attack and "catastrophe" was possible. Those left behind after the relief of the 18th Brigade would feel that they were being let down if they were kept much longer in Tobruk. Blamey also repeated gossip to the effect that when Auchinleck was recently in England Churchill told him that he would "make it right with Australia" if Auchinleck did not see fit to relieve the 9th.

Ministers had also had additional information from Sir Iven Mackay who had recently returned to Australia. Mackay told the Advisory War Council on 3rd September that the 9th was "in good trim" although the

wear and tear on the men had been considerable, due to constant strain and monotony, and they had been a long time without relief.[2]

On 5th September Fadden cabled to London drawing Churchill's attention to the representations made by Menzies and referring in general terms to information from Blamey which had thrown some doubt on the possibility of the general relief of the garrison. Fadden said that in view of the decline in "the health resistance" of the troops and the fact that fresher troops were available he reiterated the request of Menzies that directions be issued to Auchinleck to relieve the 9th Division. The Australian Parliament was meeting in the middle of the month and he wanted to announce to it that withdrawal had been completed and the A.I.F. had been concentrated as a single force. "This is a vital national question here," he added, "and should any catastrophe occur to the Tobruk garrison through further decline and inability to withstand a determined attack there would be grave repercussions."

On 9th and 10th September, the Australian Government received from Blamey a report that Auchinleck still objected to the relief and, at some length, he answered point by point the arguments which he understood Auchinleck would use. The arguments used by Auchinleck (not as ascribed to him by Blamey but in the text of a telegram which he sent to London and which the Dominions Office repeated in its entirety to Australia on 11th September) were that the naval risks were appreciable, as nearly all the ships engaged in the recent relief of the 18th Brigade had been attacked by aircraft; the continuation of the relief would throw an added burden on the fleet of destroyers at the expense of other naval operations; during the recent relief five fighter squadrons were permanently employed in escorting the ships at the expense of offensive air operations; the relief of the garrison could only be carried out during the moonless periods of 17th to 27th September and 16th to 26th October; there were a variety of reasons, which Auchinleck traversed in some detail, why other troops were unsuited or unavailable to relieve the 9th Division; half of the relief would have to take place during the latter half of October, but during this period it was hoped to concentrate the maximum air effort in gaining air superiority in the Western Desert and to complete all arrangements for a sortie from Tobruk. In conclusion, Auchinleck said: "The health and morale of the Tobruk garrison are very good, but the power of endurance of the troops is noticeably reduced, and this is likely to be further reduced as time goes on, and I detect signs of tiredness in those in responsible positions. An alternative solution to relief would be to strengthen the powers of resistance of the garrison". He suggested sending a battalion of infantry tanks into Tobruk during the latter half of September. This would have the advantage of morally and materially increasing the defensive powers of the garrison in addition to increasing its offensive powers in future operations. With this reinforcement he felt confident about Tobruk's power of resistance to attack. Behind Auchin-

[2] Advisory War Council Minute 510, 3 Sep 1941.

leck's arguments was the intention to launch an offensive at the earliest possible date in accordance with his assurances to Churchill.

He concluded by saying that he had given Blamey the facts and an opportunity of stating his views and had consulted Generals Cunningham and Morshead. He had finally placed the matter before the Minister of State in the Middle East, Lyttelton, and the naval and air Commanders-in-Chief at a meeting of the Defence Committee, and the Committee had agreed with his opinion that to attempt any further relief of the Tobruk garrison, however desirable it might be politically, was not a justifiable military operation in the circumstances and would definitely prejudice the chances of success of the projected offensive in the Western Desert. Subject to Churchill's approval, he proposed therefore to abandon the idea of a further large-scale relief of Australian personnel in Tobruk and to reinforce the garrison at once with an infantry tank battalion.

At the same time as these views were forwarded to Australia, Churchill sent to Fadden a personal message on 11th September, pointing out the difficulties and adding, "If, however, you insisted that Australian troops must be relieved, orders will be issued accordingly, irrespective of the cost entailed and the injury to future prospects. I trust, however, that you will weigh very carefully the immense responsibility which you would assume before history by depriving Australia of the glory of holding Tobruk till victory was won, which otherwise, by God's help, will be theirs for ever".

The communications received from Blamey on 9th and 10th September[3] admitted but tended to minimise the arguments relating to naval and air operations and the prospective Western offensive and described the arguments in respect of the availability of other troops as "untenable". He thought the proposal to put tanks into Tobruk discounted the difficulties of air protection and naval transport in view of the difficulties of handling tanks against the ease of handling personnel only. He made his main point, however, on the condition of the troops. "Health and morale are good," Blamey said, "but there is increasing and convincing evidence of a decline in physical powers. Tiredness is general and not confined to the more senior commanders. Experience shows that a physical decline tends to increase at a progressive rate. If not relieved, certainly it may be reckoned that the troops in Tobruk will be required to stand up to a total period of eight to nine months' continuous front-line service under conditions of great hardship, at the end of which they are to carry out an offensive operation in cooperation with other operations . . . . Whilst anxious to cooperate to the fullest degree, I cannot find the reasons given as sufficiently convincing to concur in the retention of a tired division on the battle front under continued conditions of strain. If the present garrison is retained, apart from the reasons previously submitted, it does not appear possible that it can give a good account of itself in any offensive action. It will be in grave danger of being unfit for service for a long period after the

[3] Telegrams 181 and 184 to Prime Minister.

desert campaign and, even if relieved forthwith, will require considerable rest."

Blamey quoted Morshead in support of his view that relief was necessary on account of the condition of the troops and that at the end of another two or three months the troops would be quite unfit for any offensive.

Fadden thus had before him Churchill's appeal, the arguments put up by Auchinleck, and the arguments put up by Blamey. The advice of the Deputy Chief of the General Staff, as the senior military adviser in Australia, had also been sought. The opinion of Major-General Rowell was that, as there was an Australian Commander in the Middle East appointed by the Australian Government, the Government must be guided by the advice of that commander. He supported Blamey's recommendation for withdrawal on the ground that the troops had been continually engaged in front-line operations since early April in what were undoubtedly the worst climatic conditions experienced by British troops in this war over an extended period.

On 14th September Fadden sent a cablegram to the Secretary of State maintaining the request for the relief of the 9th Division and the concentration of the A.I.F. He said that the concentration of the A.I.F. in one corps under its own commander, who had a direct responsibility to the Commonwealth Government, was "fundamental to the effective cooperation of Dominion Forces in Empire Armies" and "vital to the Australian people's conception of the control and direction of its expeditionary forces". He disposed of Auchinleck's arguments in the same manner as Blamey had done and concluded:

> In view of the responsibilities reposed in the G.O.C., A.I.F., and the advice tendered by him and the G.O.C. 9th Division, which is supported by the Government's advisers here, I am bound to request that the relief of the 9th Division and the reconcentration of the A.I.F. be proceeded with. Any reverse suffered by the garrison of Tobruk in the light of the reports and the requests that have been made over an extended period would have far-reaching effects. We do not consider that the military considerations put forward by the Commander-in-Chief outweigh the case for the relief of the garrison.

On 15th September the United Kingdom informed Australia that orders would at once be given in accordance with the Australian decision. This action was reported to the War Cabinet, of which Menzies was a member, on 16th September 1941 and was approved.

On 29th September Blamey reported that the relief of the 24th Brigade Group from Tobruk had been completed but that approximately half of the division still remained for later relief.

Churchill has recounted his own feelings at the Australian decision and the further discussions he had during the second half of September with Auchinleck and the Minister of State in the Middle East.

On 30th September Churchill asked Fadden if he would reconsider his decision that the last two Australian brigades must be pulled out of Tobruk. At the outset he mentioned that he and the Minister of State in the Middle East had with difficulty prevented Auchinleck from resigning

his command on grounds that the Australian Government had no confidence in his military judgment. "Had your decision been based on political grounds, he would not have felt the want of confidence implied," Churchill added.

This observation by Churchill suggests that Churchill recognised what the Australian documents make clear that, up to that stage at least, the Australian Government had in fact been backing the opinion of their own Commander, Blamey, against the opinion of the Commander-in-Chief, Auchinleck, on matters relating to the operational use of the A.I.F., and that the main issue was a matter of military judgment, influenced on the Australian side by concern for the principle of a unified A.I.F. under Blamey and for the well-being of Australian troops.

Churchill now based his request for a reconsideration of the Australian decision first on the ground of its effect on impending operations and second on a more general ground of Allied cooperation. He referred to a "great impending operation" by which he trusted all troops in Tobruk would be relieved and said that the withdrawal of the Australians during the moonless period in October would certainly handicap the air force in their preliminary fight for air superiority before the battle, inasmuch as they would have to divert their strength to provide air cover for the ships carrying the Australian brigades out of Tobruk. Every day's delay in delivering the attack would make the Allied task more formidable. The probable date of the offensive was early November and the period during which the two Australian brigades would be involved was very short. Then he referred to the implication that an undue burden had been thrown on Australian troops and after alluding to British losses, said: "We feel that we are entitled to count on Australia to make every sacrifice necessary for the comradeship of the Empire".

Churchill's appeal was now undoubtedly an appeal reaching above a question of military judgment. It was an appeal to the Australian Government to forego independent judgment and to accept British leadership in the interests of Empire cooperation.

This message was received in Australia on the day when the Labour party had launched its attack on the Budget which overthrew the Fadden Government. Fadden resigned on 3rd October and the reply sent to Churchill on 4th October, over Fadden's signature, was discussed by Fadden with Curtin before it was despatched.

Fadden denied any want of confidence in the military judgment of Auchinleck. He denied the implication that the Australian Government thought an undue burden had been thrown on Australian troops. He declared that Australia appreciated fully the facts put forward by Churchill. But, after "most full and careful further consideration" the Australian Government thought the considerations they had put forward in their cablegram of 14th September outweighed the other considerations urged by Churchill. They maintained their request for withdrawal.

On 13th October, the Curtin Government having assumed office, Churchill approached Curtin asking him to reconsider the issue once again.

"I have heard from General Auchinleck that he would be very greatly helped and convenienced if the remaining two Australian brigades could stay in Tobruk until the result of the approaching battle is decided. I will not repeat the arguments which I have already used, but I will only add that if you felt able to consent, it would not expose your troops to any undue or invidious risks and at the same time would be taken very kindly as an act of comradeship in the present struggle."

This telegram was given by Curtin to the War Cabinet at a meeting on 15th October, together with a detailed review of all the communications that had passed since 5th September. There is no evidence that the War Cabinet had any additional information or military advice before it concerning either the condition of the troops or the situation in the Middle East. It decided to adhere to the decision of the previous Government (i.e. the Fadden Government) that the relief of the 9th Division should be carried out.[4] The decision was reported to the Advisory War Council on the following day, but there is no record of any discussion or any request for the Council's concurrence.[5]

The reply from Curtin to Churchill stated simply: "War Cabinet has considered your request but it is regretted that it does not feel disposed to vary the previous Government's decision which was apparently reached after the fullest review of all the considerations involved."

On the 22nd Blamey reported that the relief of the remainder of the 9th Division was proceeding and would be completed on the 26th. Curtin reported this to the Advisory War Council on the 23rd and added that the Inspector-General of Medical Services, Major-General R. M. Downes, who had recently returned from the Middle East had stated that the first A.I.F. troops who had been transferred from Tobruk (i.e. those relieved in September) had suffered a considerable decline in their physical powers[6]. In the War Cabinet on the previous day the Chief of the General Staff had quoted Downes to similar effect. "The men did not think they were tired but General Downes' view was that few of them would be able to march eight miles."

Churchill's last word had been sent on the 26th. "Relief is being carried out in accordance with your decision which I greatly regret."

In November when Blamey returned to Australia on a visit from the Middle East the relief of Tobruk was one of several subjects covered in discussions with the Advisory War Council. The discussion was summarised in the minute as follows:

> When General Blamey made his first request for the relief of Australian troops at Tobruk, the Commander-in-Chief [i.e. Auchinleck] agreed, but after his return from London he was unwilling to do so, in view of the forthcoming Western Desert offensive.
>
> Some inconvenience was caused by the relief, but this was not great. The Australians at Tobruk were good troops and the Commander-in-Chief wished to keep them there to make sorties in connection with the offensive. General Blamey's view

[4] War Cabinet Minute 1404, 15 Oct 1941 and War Cabinet Agendum 326/1941.

[5] Advisory War Council Minute 534, 16 Oct 1941.

[6] Advisory War Council Minute 549, 23 Oct 1941.

was that they were not fit to do this and his opinion had been confirmed by subsequent reports as to their physical condition.

One battalion and one company (circa 1,000 men) had still to be relieved, action having been temporarily suspended due to an attack on a convoy. It was intended to complete the relief during the dark period late in November.[7]

The relief had been carried out between the 18th and 28th September and the 12th and 26th October by the 70th British Division (formerly called the 6th). The 2/13th Battalion, however, remained until the end of the siege of Tobruk in December 1941. The only ship lost during the relief was the British minelayer, *Latona* (2,650 tons), which was sunk by enemy bombs on 25th October. *Latona* was not carrying any troops at the time.

The above account has been prepared strictly as an account of events as seen from the Australian War Cabinet room. Yet it is clear that in their origin and in their consequences the events were military. What may have passed between Auchinleck and Blamey before Blamey appealed to the Australian Government concerned matters of military judgment. The question whether or not the 9th Division was in a reduced physical condition and the question whether their withdrawal would seriously affect operations are both military questions. Such matters will be examined separately and in sufficient detail in other volumes.[8]

At the outset it would appear that the only elements in the situation, as viewed from Australia, were Blamey's report on the fatigue of the men, and Blamey's opinion that the time was suitable, after the tangled events of the first half of the year, to reassemble the A.I.F. as a single force in accordance with one of the basic principles on which it had been made available for service overseas. These were matters of military judgment and the Australian Government backed the judgment of its own commander. That decision, originally made by the Menzies Government, was maintained by both the Fadden and Curtin Governments. If any comparison is to be made between them it can only be made because of the difference in circumstances between July, September and October and the difference in the nature of the request made by Churchill to Australia. The original request for withdrawal was made during a lull in operations; it was sustained during a time of preparation for an offensive. At the same time, it has to be recognised, insofar as the Australian decision was influenced by concern for the health of the men of the 9th Division, the decision was made when the men had been in Tobruk for four months; it was sustained when they had been there for seven months, and presumably had suffered further loss in condition. When the request was first made the sole questions at issue seemed to be those of military judgment; it was sustained in the face of a plea that was political and emotional as well as military.

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[7] Advisory War Council Minute 564, 11 Nov 1941.

[8] See the third volume of the army series and the second volume of the medical series.

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